

SCOTTSDALE

# CITY COUNCIL MEETING

## AGENDA



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### COUNCIL

Mary Manross, Mayor

Wayne Ecton

Robert W. Littlefield

Cynthia Lukas

Ned O'Hearn

David Ortega

Tom Silverman

Tuesday, May 6, 2003

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**5:00 P.M.**

### CITY COUNCIL MEETING

**Call to Order** – City Hall Kiva Forum, 3939 N. Drinkwater Boulevard

### Roll Call

### Presentations/Information Updates

### Public Comment

Citizens may complete one speaker/citizen comment card per night and submit it to the City Clerk before or during this evening's meeting. Please check the box that refers to "public comment." This "Public Comment" time is reserved for citizen comments regarding non-agendized items. No official Council action can be taken on these items.

### Minutes

#### REGULAR MEETINGS

March 31, 2003

April 1, 2003

April 15, 2003

#### SPECIAL MEETINGS

April 15, 2003

April 21, 2003

**1. Appoint election boards for May 20, 2003 special election**

**Request:** Consider adoption of Resolution No. 6291 authorizing appointment of election board workers for the May 20, 2003 special election.

**Related Policies, References:** Resolution No. 6230, adopted by City Council on January 7, 2003 calling the special election. A.R.S. 9-825 requires that at least ten days before an election the governing body shall appoint election board members from the qualified electors of the municipality.

**Staff Contact(s):** Sonia Robertson, City Clerk, 480-312-2754, [srobertson@scottsdaleaz.gov](mailto:srobertson@scottsdaleaz.gov)

## REGULAR AGENDA

ITEM 2

**2. Solicit public testimony on the Proposed FY 2003/04 Operating Budget and Capital Improvement Plan; possible council discussion and decision regarding what fire department option to include in the budget; possible council discussion and decision regarding other programming options to include in the budget.**

**Request:** That the City Council receive public input relative to the Proposed FY 2003/04 Operating Budget and Capital Improvement Plan.

**Staff Contact(s):** Craig Clifford, General Manager, (480) 312-2364, [CClifford@ScottsdaleAz.gov](mailto:CClifford@ScottsdaleAz.gov); Art Rullo, Budget Director, (480) 312-2435, [ARullo@ScottsdaleAz.gov](mailto:ARullo@ScottsdaleAz.gov)

### Public Comment

Citizens may complete one speaker/citizen comment card per night and submit it to the City Clerk before or during this evening's meeting. This "Public Comment" time is reserved for citizen comments regarding non-agendized items. No official Council action will be taken on these items.

### City Manager's Report

### Mayor and Council Items

### Adjournment

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**MINUTES**

**SCOTTSDALE CITY COUNCIL**

**CITY COUNCIL MEETING**

**Monday, March 31, 2003**

**The Kiva  
City Hall  
Scottsdale, Arizona**

# DRAFT

M I N U T E S  
SCOTTSDALE CITY COUNCIL  
CITY COUNCIL MEETING  
Monday, March 31, 2003

## **CALL TO ORDER** (IN CITY HALL KIVA FORUM)

Mayor Manross called to order the Regular Meeting of the Scottsdale City Council on Monday, March 31, 2003 in the Kiva, City Hall, at 5:02 P.M.

## **ROLL CALL**

Present: Mayor Mary Manross  
Vice Mayor Ned O'Hearn  
Council Members David Ortega, Tom Silverman, Robert Littlefield,  
Wayne Ecton, and Cynthia Lukas

Also Present: City Manager Jan Dolan  
City Attorney David Pennartz  
City Clerk Sonia Robertson

## **Pledge of Allegiance**

Vice Mayor O'Hearn led the audience in the Pledge of Allegiance.

## **Invocation**

In lieu of an invocation, Mayor Manross recognized city employees who are reservists and have been called to active duty.

## **Presentations/Information Updates**

### **District System Hearings**

Mayor Manross noted that there are two public meetings regarding the District System that will be held Tuesday, April 8, 2003 at the Via Linda Senior Center and Wednesday, April 9, 2003 at City Hall.

### **Scottsdale Pride Honoree**

Chairwoman Chandra Bonfiglio explained that the Scottsdale Pride Committee was established in 1993 to involve the citizens in preserving and enhancing the environment, quality of life, and to obtain certification as a Keep America Beautiful Community. She announced that the committee has nominated Les Conklin as the Scottsdale Pride Honoree.

Mayor Manross explained that Mr. Conklin founded and has served as the head of the Friends of the Scenic Drive organization. She noted that he has been organizing all the clean up efforts, funding, volunteers, etc. to restore and maintain plants along the scenic drive. In addition, Mayor Manross pointed out that Mr. Conklin participated in the development of the Scenic Corridor Guidelines, and has served on both the Scottsdale Pride Committee and the Preservation Commission.

Mayor Manross presented Mr. Conklin with a plaque as the Scottsdale Pride Honoree and in recognition

of his outstanding efforts to preserve and enhance the quality of life in the city.

Les Conklin thanked everyone for the recognition although he stressed that none of the accomplishments would have been possible without volunteers. He then thanked the city for their generous support for the past two years. He announced that as a token of their appreciation, the Friends of the Scenic Drive Board of Directors has named the City of Scottsdale as an honorary Scenic Drive Platinum Plant Parent. As a Platinum Plant Parent, the city will be listed on their website and on a plaque to be installed on May 10 (Plant Parent Day).

## Public Comment

**Eric Luoma**, 8618 E. De La O Road, expressed concern over fiscal responsibility as it relates to forming a municipal fire department. He stated his opinion that citizens should question where the funds would come from and the impact the change would have on the deficit. He noted that forming a municipal fire department would increase costs and reduce the number of firefighters. He urged Council to let everyone know what services would be lost by forming a municipal fire department.

**David Hochstrasser**, 8346 E. Granada, explained his belief that if a Wal-Mart isn't appropriate on the Los Arcos site, that Council should encourage development of something that provides services the neighborhood needs. He stated that neighbors currently have to drive a distance to access the services that should be provided in the neighborhood.

**Louis Hayward**, 11685 E. Cortez Drive, explained that he is becoming increasingly concerned about the lack of information being provided to citizens regarding the possibility of forming a municipal fire department. He stated his belief that the current fire service has a great reputation known throughout the United States. He stressed his opinion that forming a municipal department would be a mistake.

**Russ Kronzfelder**, 8507 E. Mulberry Street, questioned the communication between the city's police department and other departments within the city. He explained that nine months after selling his business and closing his city accounts, the Police Department contacted him about a problem at the site. He wondered why the different city departments don't communicate better.

## CONSENT AGENDA

1. **Assignment of the Arizona Aerospace Foundation, Inc. lease for the proposed aircraft museum project to International Fighter Pilots Museum Foundation, Inc., and amend the lease.**

**Request:** Adopt Resolution No. 6259, approving assignment of lease no. 2001-022-COS for a vintage aircraft museum on airport property at the southeast corner of Scottsdale Road and Thunderbird Road. Arizona Aerospace Foundation, Inc., has requested that the City consent to the assignment of the lease for the proposed museum to International Fighter Pilots Museum Foundation, Inc. In addition, request to amend the lease to extend the completion deadline and include financial performance measures required to be met by the Lessee.

**Related Policies, References:** Contract No. 2001-022-COS and Resolution No. 5781.

**Staff Contact(s):** Scott T. Gray, Aviation Director, (480) 312-7735, [sgray@scottsdaleaz.gov](mailto:sgray@scottsdaleaz.gov)

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**2. Assignment of D'Atri's Gourmet Foods, Inc. lease for the airport restaurant and related office space to Blue Fig, L.L.C., and amending the office space lease**

**Request:** Adopt Resolution No. 6260, approving assignment of leases 2000-053-COS and 2001-099-COS with D'Atri's Gourmet Foods, Inc., for the airport restaurant and related office space in the Aviation Business Center. Further, amend the lease for the office space to reduce the number of offices leased. Specifically, D'Atri's Gourmet Foods, Inc., has requested that the City consent to the assignment of the restaurant lease and office lease to Blue Fig, L.L.C. Request also is to amend the office lease to reduce the number of offices leased by the tenant from three (3) to two (2) offices in the Aviation Business Center.

**Related Policies, References:** Contract No. 2000-053-COS, Resolution No. 5546, Contract No. 2001-099-COS, and Resolution No. 5872.

**Staff Contact(s):** Scott T. Gray, Aviation Director, (480) 312-7735, [sgray@scottsdaleaz.gov](mailto:sgray@scottsdaleaz.gov)

City Attorney Pennartz explained that this item is an assignment of the lease at the airport for the restaurant facility from D'Atri's to the Blue Fig. The lender for the new restaurant has requested that the city's lien be subordinated (go into second position behind their lien) otherwise; they would be unable to fund the transaction.

Attorney Pennartz explained that the city's legal staff was able to reach an agreement on the language with the lender; therefore, staff recommends approval of the request.

**3. Renew Executive Search Contracts No. 2001-025-COS and No.2001-026-COS**

**Request:** Authorize one year extensions of executive search contracts: No.2001-025 with The Oldani Group, Inc and contract No. 2001-026-COS with Shannon Executive Search, a division of CPS Human Resource Services (formerly Shannon Associates), with no increase in maximum fees or expenses in either contract.

**Staff Contact(s):** Daniel E. Schmidt, Human Resources Director, 312-2492, [dschmidt@scottsdaleaz.gov](mailto:dschmidt@scottsdaleaz.gov)

COUNCILWOMAN LUKAS MOVED TO APPROVE CONSENT ITEMS 1, 2 (AS AMENDED), AND 3. COUNCILMAN SILVERMAN SECONDED THE MOTION WHICH CARRIED 7/0.

**SPECIAL PRESENTATION    ITEM 4**

**4. Presentation of 2003/04 – 2007/08 Capital Improvement Plan and Bond Commission Recommendations.**

Craig Clifford, Finance Department, presented the following information in the form of a slide presentation.

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**City of Scottsdale  
Proposed FY2003/04  
Capital Improvement Project Budget  
FY2003/04 Proposed Budget**

- Issues:
  - Decreasing or flat revenue forecast
  - Need to absorb increasing operating costs
- Objectives:
  - Continue to invest in our community, and
  - Minimize the service impacts to our citizens

**Capital Improvement Project Budget  
Budget Process**

Staff asked to re-justify majority of projects:

- City council and community priorities
- Operating impacts over the long-term
- Construction activity timeframes w/other projects
- Feasibility of successful implementation
- Implications of deferring projects
- Cash flows and bond funding requirements
- Appropriateness of funding source(s)

**Capital Improvement Project Budget  
Key Program Changes**

- More realistic expectations
  - Some projects not included in five year plan horizon
  - To be included when/if priorities and financial forecasts improve
- Continuation of many projects
  - Take advantage of favorable bond market
  - Deferring projects with significant operating impacts
- Proposed policy change
  - Up to 40% of .2% transportation sales tax used for operating costs of transportation improvements
- Administrative changes
  - Improved cash flow management by moving (where feasible) to single funding source to track cash flow requirements much closer, and to
  - Improve planning of bond issuances, federal arbitrage compliance and citizen property tax impacts

**Capital Improvement Project Budget  
Expected Outcomes**

- Continued investment in the City's basic infrastructure and public facilities
  - Combined with careful analysis of their operating cost impacts
- Reduction in General Fund subsidy to the Highway User Revenue Fund
  - Could eliminate subsidy by year five

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- Relatively level property tax rate estimated for the next five years
  - \$1.10 per \$100 assessed value estimated for FY2003/04
  - Current FY2002/03 rate is \$1.15 per \$100 AV

**Major Program Areas -  
Capital Project Budget FY2003/04**

- Neighborhoods/Community Facilities \$77.5M 15%
- Preservation \$70.9M 14%
- Neighborhood Drainage & Flood Control \$ 9.7M 2%
- Improvement Districts \$16.9M 3%
- Public Safety \$14.7M 3%
- Technology & Facilities/Maintenance \$13.2M 3%
- Transportation \$119.2M 24%
- Water/Sewer \$183.0M 36%
- Total Proposed Capital Project Budget: **\$507.6M**
- Includes \$303.8M for re-budget of prior year projects not yet completed

**Meeting Tomorrow's Needs -  
Capital Project Budget**

	<b>FY03/04</b>	<b>5 Yr Plan</b>
Number of projects requested	273	342
Number of proposed projects	239	279
Number moved to 'other needs' list	10	63
Number of active projects (rebudget of \$303.8M)	160	160
Number of inactive projects (yet to be started)	79	119



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**Meeting Tomorrow's Needs -  
Capital Project Budget**

- Geography of Projects:
  - 25% for facilities that serve the entire city
  - 27% for facilities south of Shea Blvd.
  - 41% for facilities north of Shea Blvd.
  - 7% for McDowell Sonoran Preserve
- Type of Projects:
  - 58% for new / enhancement projects
  - 42% for repair / replacement projects

**Meeting Tomorrow's Needs - Capital Project Budget**

- Source Capital Project Funding:

– .2% Transportation Sales Tax	\$35M	7%
– .2% Preservation Sales Tax	\$69M	14%
– Water Sewer Devel. Impact Fees	\$57M	11%
– Water/Sewer User Fees	\$112M	22%
– 2000 Bond Authorization *	\$101M	20%
– MPC Debt	\$35M	7%
– General Fund	\$42M	8%
– Contributions, grants or other	\$56M	11%
– Total Funding	\$507.6M	
- Proposed Bond Plan approved by Citizen Bond Commission on March 6<sup>th</sup>. Mr. Steve Sagert, Chairman of Bond Commission.

Mr. Clifford introduced Steve Sagert as the Chairman of the Bond Review Commission. Mr. Sagert explained that the citizens of Scottsdale authorized six ballot propositions. They included bond money for park and library improvements, neighborhood flood control, scenic corridor and preservation, revitalization, public safety facilities, and transportation improvement. He noted that municipal service facilities, community housing, and a West World land acquisition were defeated. He urged Council to implement the voter's desires.

Mr. Clifford continued with his presentation as outlined below.

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**Funding Impacts - Citizens  
Capital Project Budget**

- Water/Sewer User Fees - \$1.58 or 2.3% average residential bill change proposed (a portion used for operating expenses)
  - Continue to set aside funds to address capital plan and mandated arsenic and DBP impacts
  - Deferral proposed water/sewer MPC debt issuance till 2004/05 after arsenic pilot project completed and amount and timing of debt are more certain
- Airport User Fees - \$1.00 per 1,000 lbs. transient landing fee increase proposed (a portion used for operating expenses)
  - Maintains fund self reliance without need for General Fund subsidy
  - Anticipates less funding available from Fed and State grants for rehabilitation and enhancement projects
- 2000 Bond Authorization - \$1.10 per \$100 assessed value estimated for FY2003/04, relatively level property tax rate estimated for the next five years
  - Some project deferrals due to operating impacts
  - Proposed Bond Plan approved by Citizen Bond Commission on March 6<sup>th</sup>

**Funding Impacts - Other  
Capital Project Budget**

- Water Sewer Devel. Impact Fees - 2.4% rate change proposed based upon Construction Cost Index
  - Master plan update and complete fee analysis performed every other year
  - No change to projects
- General Fund - Lower contribution than in past years
  - Some project cost reductions and deferrals proposed due to economic constraints
- .2% Transportation Sale Tax – Policy change proposed to provide portion of tax towards transportation improvement operating costs
  - Some project deferrals due to operating costs and economic constraints
- .2% Preservation Sales Tax - no change
- Contributions, grants or other sources – no change

In response to questions from Mayor Manross, Attorney Pennartz explained that the use of the .2% transportation tax funds are restricted to transportation purposes; however, is not specifically restricted to capital projects only as has been Council's policy decision in the past. The funds would be able to be used for operating purposes as long as it was used for transportation uses.

Mr. Clifford confirmed for Councilman Littlefield that staff has suggested the policy change for the .2% transportation tax to take pressure off of the general fund. Through careful analysis, staff has determined that most of the transportation projects could be continued using the Bond 2000 as well as the .2% sales tax flows while using some of the tax to offset operating costs associated with transportation improvements. He also confirmed that, although this action would be legal, it would be illegal to divert money from the bond fund for this purpose.

**What It Means for Citizens/Community- Capital Project Budget**

- Most existing projects will continue
  - Continued investment in the City's basic infrastructure and public facilities
- Deferral of some projects due to operating impacts and/or construction timing

- ## What it Means for the Operating Budget – Capital Project Operating Impacts

\*Projects deferred are those considered to be of lesser priority and/or we cannot afford to absorb the operating impacts of at this time (primarily General Fund impacts). This does not mean we do not intend to complete the projects – remaining projects will be kept on a pending projects list, to be incorporated in a later year when our financial forecasts improve.

## Neighborhoods/Community Facilities- Capital Project Budget Highlights

- In response to questions from Councilman Littlefield, Ortega and Councilwoman Lukas, Mr. Clifford explained that projects that are earmarked for delay have been taken out of the city's five-year plan. Since capital planning is dynamic, all the projects are reassessed annually. Mr. Clifford also explained that some money would be spent this fiscal year (03/04) on designing the Chaparral Park extension, while construction would begin in fiscal year 04/05. Mr. Exham confirmed that the dog leash area would remain open during the construction phase.

Councilman Ecton recognized that there are additional operating costs associated with the library projects; however, he stressed his belief that these facilities are vital to the community. He wondered why the trail system would take precedence over library projects. Mr. Clifford explained that the costs associated with the city's trail system would be primarily used for land acquisition. Ms. Dolan explained

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that the library projects are being re-evaluated to see if some of the projects could be consolidated in an area that would better serve the community and operate more efficiently.

### **Neighborhood and Community- Capital Project Budget Highlights**

- Projects to continue:
  - Downtown Canal Bridge(s) & other upgrades      Gen Fund
  - LoLoma District Museum      GF, Bed Tx
  - Scottsdale Papago Streetscape      Gen Fund
  - Scottsdale Road Preservation & Streetscape      Bond 2000
  - Westworld Land Acquisition & other upgrades      Gen Fund
- Project change:
  - Civic Ctr. Mall Expansion to      Gen Fund
  - Downtown Reinvestment      Bond 2000

Mr. Clifford explained for Councilman Silverman that the project that was approved a few years ago to cover a walkway at West World was to be funded with interest money that did not materialize. Ms. Dolan explained that staff would check on the status of the project; however, she believed it was placed in the five-year plan for capital projects. She stressed that there are no guarantees that the projected revenues will materialize.

Councilman Littlefield questioned if the acquisition of the state land for WestWorld could be delayed rather than proceeding with the purchase this coming year. Mr. Clifford explained that the city is working with the State Land Department to determine the acquisition date. The city is looking to pay off the existing MCP debt so the revenue stream that currently pays for existing debt could be used to refinance the acquisition. He clarified that the money for this project wouldn't originate from a General Fund transfer. Ms. Dolan clarified that sometimes, for accounting purposes, other funds may flow through the General Fund although it wouldn't be actual General Fund tax dollars.

### **Preservation - Capital Project Budget Highlights**

- Project to continue:
    - McDowell Sonoran Preserve      Preserve Tax Bonds
    - Hidden Hills Trailhead Amenities      Bond 2000
- Neighborhood Drainage and Flood Control Capital Project Budget Highlights
- Projects to Continue:
    - Floodplain Acquisition      Bond 2000
    - Granite Reef Watershed Area      Gen Fund & FCD
    - Camelback Corridor Drainage      Gen Fund
    - McDonald Drive Corridor      Bond 2000
    - Neighborhood Stormwater Mgt.      Gen Fund & Bonds
    - Scottsdale Rd. Bridge – Indian Bend      Bonds
    - Upper Camelback Wash Watershed      Gen Fund & Bonds
  - Projects added:
    - East Union Hills Interceptor      Gen Fund
    - Pima Road Drainage System      Gen Fund

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In response to questions from Councilwoman Lukas, Mr. Dreska confirmed that the Scottsdale Papago Streetscape will be completed next year. Currently various segments of the project are in the design phase. The construction bid award for a small section of the project in connection with The Republic West development will be brought before Council within the next 30 days. The next focus would be on the Granite Reef to Hayden segment.

#### **Public Safety - Capital Project Budget Highlights**

- Projects delayed due to operating impacts:
  - District 1 Patrol Station Bond 2000
  - Helicopter Air Support Unit Bond 2000
  - Police/Fire Training Facility (phase 2) Bond 2000
- Projects to continue:
  - Fire Stations #810, #811, #813, #817, #818, #820, #827, remodel, expansion and equipment Gen Fund
  - Police Portable Radio Replacement Gen Fund
  - Police Operational Support Building Bond 2000
- New projects added:
  - Fire Stations #809 Southwest Quadrant Gen Fund
  - Fire Station #826 Jomax & Scottsdale Gen Fund
  - Police Records Mgt. & CAD Sys. Replacement Gen Fund

Acting Police Chief Rodbell verified that he supports placing the Police Operational Support Building on the priority list above the training facility. He further explained that the support building would allow the department to free up space by moving the lab and property evidence area to the new building.

#### **Technology & Municipal Facilities/Maintenance-Capital Project Budget Highlights**

- Projects to continue:
  - Automate Criminal Justice/Case Mgt. Gen Fund
  - Utility Billing System Replacement User Fees
  - Network, PC, Server, Replacement Gen Fund, Fees
  - Facility Repair & Maintenance Gen Fund
  - SCA Improvements & Upgrades Gen Fund
  - Fleet Lift Replacement Fleet Rates
  - McKellips Service Center Gen Fund/Fleet
- New projects added:
  - Public Safety Radio Study Gen Fund
  - Document Management System(s) Gen Fund, Fees

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### **Transportation - Capital Project Budget Highlights**

- Projects delayed due to operating impacts/priorities:
  - Loop 101 ParknRide                      Bond 2000 & Trans Tax
  - Mustang Transit Center                      Bond 2000
  - Transit Technology (portion)              Trans Tax
  - Shea Blvd Improvements              Trans Tax
- Projects to continue:
  - Aviation Noise Exposure Maps              Aviation & Grants
  - Airport Pavement Replacement              Aviation & Grants
  - Airport Kilo Ramp & Service Road              Aviation & Grants
  - Bikeways & Sidewalk Improvements              Trans Tax & Bonds

In response to questions from various Council members, Mr. Little clarified the following information:

1. Sweetwater and 96<sup>th</sup> Street project – The roadway is currently comprised of a conglomeration of various size lanes. The project includes resizing the roadway so the lanes are consistent and improving intersections. Three mailings of 10,700 each were sent to area residents regarding this project and various public meetings were held. In addition, the project was discussed at a Transportation Commission meeting. He noted that many of the residents in support of the project saw the improvements as supporting the character of the neighborhood and facilitating traffic. They were aware of the costs involved with the project.
2. Funding for Traffic Calming - The proposed budget would maintain existing funding but would not increase it.
3. Express Bus Routes 510 & 512 – A series of public meetings will be held beginning with the Transportation Commission meeting on April 17. The city is trying to ensure that people have an opportunity to comment regarding the proposed changes. Route 510 has been getting a lot of attention from citizens. The city would be cutting back some of the trips on the express routes. Local service from McCormick Ranch to downtown Phoenix would continue. The city is trying to help residents understand that if the service they use is cut, there are other options available to them.
4. Rubberized Asphalt – The cost of installation of rubberized asphalt from McKellips to McDonald (approx. 6 miles) is \$2 million and will be repaid to the city by ADOT in a future year. Ms. Dolan confirmed that the funds to repay the city are dedicated funds.

### **Transportation - Capital Project Budget Highlights**

- Projects to continue:
  - Hayden Road Improvements              Trans Tax, Bonds
  - Indian School Road Improvements              Trans Tax, Bonds
  - Scottsdale Road Improvements              Trans Tax, Bonds
  - Pima Road Improvements              Trans Tax, Bonds
  - Intelligent Transportation System              Trans Tax, Bonds
  - Neighborhood Traffic Management              Trans Tax, Bonds
- New projects added:
  - Stacked 40s Roadways                      Trans Tax
  - Rubberized Asphalt Overlay              Trans Tax/ADOT

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### **Water and Sewer - Capital Project Budget Highlights**

- Projects to continue:
  - Booster Station Upgrades Impact Fees
  - CAP Plant Expansion Impact Fees
  - Water & Sewer Oversizing Impact Fees
  - Master Plan Update Impact Fees
  - Water Right Acquisition Impact Fees
  - 91<sup>st</sup> Ave. Sewer Plant Upgrades & Expansion Rates & Fees
  - Chaparral Water Treatment Plant Rates & Fees
  - Arsenic Removal Mitigation User Rates/Bonds
  - Waterline Replacements User Rates
  - Water Quality Improvements User Fees

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In response to a request from Mayor Manross, Mr. Clifford presented the following information:

April 7<sup>th</sup> – Workstudy session re: operating budget

April 17<sup>th</sup> – Public Hearing on transit related items

May 5<sup>th</sup> – First public hearing on the proposed budget (Citizen Budget Review Committee will present their report)

May 19<sup>th</sup> – Second public hearing on the proposed budget with tentative adoption

June 2<sup>nd</sup> – Adoption of the budget

Mr. Clifford clarified for Councilwoman Lukas that the \$752,000 for neighborhood funding partnership as proposed for the 03/04 budget has some commitments on it totaling approximately \$300,000. The remainder of the money would be used for next year and beyond. Since it is a general funded project, each year the project would be reviewed to determine funding.

Councilman Littlefield questioned staff's recommendation to fund Civic Center improvements from bond money. Mr. Clifford explained that during the Bond 2000 election, there was one proposition that failed relating to municipal facilities. At the time the ballot propositions were compiled, there were some related projects that were placed in two ballot propositions due to differences in debt limitations. One was for the construction of municipal buildings, which failed. The other projects were placed in the other ballot proposition relating to neighborhood and community projects. Staff proposed that the Civic Center improvements project be reclassified since the money was intended to enhance park related projects in the downtown area. City Attorney Pennartz confirmed that the reclassification would be legal. He further clarified that when the bond projects are put out to the voters, the specific maximum amount of money and purposes are identified. The individual projects are not voted up or down by the voters.

In response to additional questions from Councilman Littlefield, Assistant City Attorney Roger Klingler explained that the city has been successful in securing some grant money for removing arsenic from ground water. Although staff will continue in their efforts to secure funding, the outlook for securing additional federal funding is bleak.

**\*\*\*5. Consider options for the development of the former Smitty's site**

**Request:** Accept request by Trend Homes for the termination of their "exclusive right to negotiate" period relating to the redevelopment of the former Smitty's site at the northwest corner of McDowell and Granite Reef; and

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Scottsdale City Council Meeting  
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Consider options and potentially give staff direction on next steps for the Smitty's site.

**Staff Contact(s):** David Roderique, Economic Development General Manager, 480-312-7601, [droderique@scottsdaleaz.gov](mailto:droderique@scottsdaleaz.gov); Laurel Edgar, Revitalization Manager, 480-312-7313, [ledgar@scottsdaleaz.gov](mailto:ledgar@scottsdaleaz.gov)

Dave Roderique, Economic Vitality, introduced this item for discussion with a slide presentation that has been outlined below.

**GRANITE REEF & McDOWELL ROAD REVITALIZATION**  
**Options to Move Forward with Private Development Portion of Site**

**RFP PROCESS**

- October 11, 2002                      RFP Mailed Out
- December 10<sup>th</sup>, 2002                5 Proposals Received
- December/January                  Staff Reviews
- January 13, 2003                    Neighborhood Open House
- January 21, 2003                    Council Selects Trend Homes
- March 27, 2003                      Trend Homes Withdraws

**Council Options**

- Choose One of the Other RFP Respondents
  - Community Services of AZ./Campbell-Houge
  - Pulte Homes
  - The RED Group
- Ask Respondents to Modify Submittals
- Begin a New RFP Process
- Sell Property
- Hold Site for Future Development after Senior Center/Theater are built

**A. Choose RFP Respondent**

Choose one of the other 3 RFP respondents who are still interested in working with the City

- Community Services of AZ/Campbell-Houge
- Pulte Homes
- The RED Group
- Fastest process -- sign a new "Exclusive Right to Negotiate" for a 4 month period (through 8/25/03)
- Known products and responses



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**Community Services of Arizona/Campbell Hogue & Associates, Inc. & A&C Properties**

- 160 senior, medium-income, rental units with optional service package
- 15,000 to 18,000 sq ft Retail
- \$1,470,000 cash upfront plus small annual lease payments

**Pulte Homes Corporation**

- 72 for-sale single-family homes, 1 & 2 story
- Average sales price of \$174,000
- Will pay \$1,776,640, plus \$140,000 towards offsites

**RED Group LLC and Southwest Retail Group, Inc.**

- 200 senior, independent living apartments, 2 & 3 story
- 10,000 sq. ft. of neighborhood/ convenience retail
- Will pay \$3,230,000 plus \$120,000 towards costs for shared recreational amenities

**B. Modify Proposals**

Go back out with minor modifications to the original RFP terms and conditions

- Return to Council in about 3 months
- Council needs to provide consensus on new parameters
- Should be sent out to all developers on the original RFP mailing lists
- Unknown number & quality of responses

**C. New RFP Process**

Begin an entirely new RFP process

- Return to Council in about 6-7 months
- Council must agree on new parameters
- New parameters may bring new developers to the table
- Unknown number & quality of responses
- Need to determine if the City wishes to move forward with balance of site (Senior Center, Stagebrush)

**D. Sell Property**

Sell property through regular public bidding process; let market determine ultimate uses

- Timeframe of 4-6 months
- City should determine if any zoning changes should be will be done before sale
- Less control of development issues and long term relationship with City buildings

**E. Hold Site for Future**

Hold the property for future development when market conditions have improved

- Cash not returned to City for some time
- Lose ability for campus environment
- Gives time for Senior Center development to happen and improve site

**DRAFT**

- Allows for economy and general real estate market to improve

#### **Tonight's Council Action**

- Accept termination by Trend Homes
- Direct staff on options for moving forward
  - Choose one of the other RFP respondents
    - Community Services of AZ/Campbell-Houge
    - Pulte Homes
    - The RED Group
  - Ask respondents to modify submittals
  - Begin a new RFP process
  - Sell property through public bid process
  - Hold site for future development

\*\*\*\*\*

Mayor Manross opened public testimony.

**Frank Boggs**, 8255 E. Monte Vista, congratulated Trend Homes for withdrawing their proposal and various Council members for supporting senior housing on the site. He felt that quality senior housing would revitalize the area and urged Council to place senior housing on the site.

**Nancy Cantor**, 2529 N. 86<sup>th</sup> Street, thanked staff for working with the community. She stated her belief that senior housing would be wonderful on the site. She felt strongly that the site should also provide retail for the neighborhood. She suggested that the city start using part of \$6 million that was designated to improve the McDowell corridor redevelopment.

**Gladys Olson**, 7312 E. Palm Lane, gave the brief history of her involvement with the planning for the former Smitty's site. She listed various statistics indicating the need for senior housing on the site. She felt this is a wonderful opportunity for the city to create an environment that is compatible with senior's life style.

**Jodi Paulsen**, 8630 E. Dianna Drive, explained that she has been in contact with approximately 1,500 citizens that support senior housing on the former Smitty's site. She questioned why Council isn't considering building a senior campus so seniors could live on the site and walk to the senior center. She felt this is a great opportunity to set an example. She noted that seniors would be great neighbors and wish to free themselves of ownership problems. She expressed her belief that it is time to move forward.

**Debbie Andrade**, 3707 N. Hayden Road, stated her support of the RED Group's proposal.

**Paul Klink**, 6991 E. Camelback Road, spoke as a representative of AVB Development Partners. He explained that his firm was the commercial partner for Trend Homes. He explained that his firm had a plan that staff was comfortable with and stated his belief that, other than the residential component, the plan could still work. Rather than starting the process all over again, he suggested that the city keep the project in tact with the exception of the residential component.

**Carol Papalas-Sams**, 720 N. 82<sup>nd</sup> Street, E108, spoke as a representative of the Coalition for a Better Scottsdale. She explained that the community has supported the RED Group's proposal from the start of the process.

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**Herbert Weinberg**, 6505 E. Osborn, #119, stated his belief that the most important thing any government can do is to represent the people with the least ability to take care of themselves. In this case, it is the senior citizens. He stated his support for senior housing on the site.

**B.J. Gonzales**, 6349 N. Cattletrack Road, asked Council to accept the request by Trend Homes to terminate their proposal. He encouraged Council to make a wonderful project out of the property.

**Lyle Wurtz**, 6510 E. Palm Lane, pointed out that the paper recently published an article explaining that rental units would do little or nothing to revitalize the area. He explained that properties that deteriorate in neighborhoods are usually rental properties. He questioned what would stop the senior housing from becoming low cost housing in the future. He noted that he likes to see younger people move into his neighborhood since they improve homes and bring life to the community. He urged Council to take their time in making this decision since the issue is too important to rush. He suggested that the city send out a more detailed RFP.

**Gene Stegmann**, 8208 E. Hazelwood Street, disagreed with the previous speaker about placing senior housing on the site. He explained that seniors don't want to assume another mortgage opting to rent instead. He urged Council to consider giving seniors a chance to downsize into a rental property rather than having the burden of purchasing a home.

**Sam West**, 8160 N. Hayden, #J-210, requested that Council combine options B and C. He asked the city to take a look at refining the requirements of a new RFP while keeping the current respondents involved in the process. He felt that making a decision on a developer tonight would be a mistake.

**Darlene L. Petersen**, 7327 E. Wilshire Drive, explained that she was surprised when Council voted on the Trend proposal. She stressed that seniors get tired of all the necessary home repairs; therefore, would like to see senior rentals on the site next to the senior center. She stated her support of the RED Group's proposal. She expressed her belief that the city doesn't write RFP's correctly. She urged Council to support the RED Group's proposal to ensure that a good product is built.

Mayor Manross closed public testimony.

Mayor Manross explained that she supported the RED Group's proposal the first time around; however, worked diligently with Trend Homes, once they were selected by Council, to try to facilitate the project. She stated her belief that this project presents an unusual opportunity to bring this type of development next to the new senior center. She pointed out her support of the Stagebrush Theater also since it is compatible with the other proposed uses on the site. She stressed her opinion that the city should not spend additional time analyzing data since there was a comprehensive public process that was conducted.

Scott Laten, Senior Vice President of the RED Group, explained that he is somewhat astonished by the community support their proposal has received. He stated his belief that senior (rental) housing is still extremely viable on the site. He noted that the RED Group has volunteered to look at the possibility of building condos on the site. He explained that, at the very least, his organization is willing to place a condo map on the site that would allow the rentals to become privately owned units if market conditions warranted the conversion in the future.

Mr. Laten explained that the RED Group is still willing to honor its original proposal but warned that interest rates are climbing, therefore, their proposal may not be the same if the city decides to send out another RFP.

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Councilwoman Lukas expressed her belief that selling or holding the property is not in the best interest of the city. She stated her support of the RED Group's proposal while noting that the community supports the proposal also. She explained her belief that the developer has the experience and expertise to make the area a senior friendly, livable community. She felt that the project would help to revitalize the McDowell Road corridor.

City Attorney Pennartz confirmed for Vice Mayor O'Hearn that termination would be a requirement before proceeding with any of the proposed options. It would be consistent with Option B that would allow modifications of the proposals. He explained that developers could resubmit modifications to their proposal by substituting a builder or a commercial party. He stressed that it would be a proposal for Council to consider but would not be assignable as such.

COUNCILWOMAN LUKAS MOVED TO ACCEPT TREND HOMES' TERMINATION.  
COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 7/0.

Councilman Ortega stated his belief that Council's decision on this project would anchor the neighborhood as a people place. He stressed that he has always advocated for senior housing as a component on the site. He noted that the RED Group's proposal would provide an opportunity for people to downsize to rental units while young families could purchase the vacant homes.

Vice Mayor O'Hearn pointed out that a survey was taken approximately two years ago where 70% of the people living within two miles of the former Smitty's site didn't support residential on the site. He questioned how the sentiment could have changed so drastically over such a short period of time and suggested that the city send out another RFP with a time limit of 60 days.

Councilman Silverman explained that he would support a proposal to place a combination of senior rentals and individually owned units on the site but would not support a motion to place only rental units on the site. He felt strongly that ownership is vital for the economic vitality of the site. Mr. Latent explained his group is proposing either ownership or rentals for the site due to its size.

Councilman Silverman pointed out that the law prohibits giving preference to seniors who live in the general area if rentals were placed on the site. He stressed that Scottsdale residents, therefore, wouldn't be given any preference in locating in the units.

Councilman Ecton explained that he felt bad for Trend Homes since they had went through the city's process only to terminate their agreement. He stated that he still continues to feel strongly that the best plan for the site should include an element of ownership. He noted that he is willing to support senior rentals on the site if there is also an element of ownership.

COUNCILMAN ORTEGA MOVED TO APPROVE THE RED GROUP AS THE RFP RESPONDENT  
BY GRANTING THE RED GROUP THE EXCLUSIVE RIGHT TO NEGOTIATE THROUGH  
AUGUST 25, 2003. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 4/3  
(N.O., T.S., W.E.).

**Public Comment - None**

# DRAFT

Scottsdale City Council Meeting  
Monday, March 31, 2003  
Page 19

**City Manager's Report - None**

**Mayor and Council Items - None**

**Adjournment**

With no further business to discuss, Mayor Manross adjourned the meeting at 8:05 P.M.

**SUBMITTED BY:**

  
\_\_\_\_\_  
Ann Eyerly, Council Recorder

**REVIEWED BY:**

  
\_\_\_\_\_  
Sonia Robertson, City Clerk


**DRAFT**

**CERTIFICATE**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 31st day of March 2003.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 3<sup>rd</sup> day of April 2003.

  
\_\_\_\_\_  
SONIA ROBERTSON  
City Clerk

**DRAFT**

**MINUTES**  
**SCOTTSDALE CITY COUNCIL**  
**CITY COUNCIL MEETING**  
**Tuesday, April 1, 2003**

**The Kiva**  
**City Hall**  
**Scottsdale, Arizona**

**MINUTES  
SCOTTSDALE CITY COUNCIL  
CITY COUNCIL MEETING  
Tuesday, April 1, 2003**

**CALL TO ORDER** (IN CITY HALL KIVA FORUM)

Mayor Manross called to order the Regular Meeting of the Scottsdale City Council on Tuesday, April 1, 2003 in the Kiva, City Hall, at 5:08 P.M.

**ROLL CALL**

Present:

Mayor Mary Manross  
Vice Mayor Ned O'Hearn  
Council Members David Ortega, Tom Silverman, Robert Littlefield,  
Wayne Ecton, and Cynthia Lukas

Also Present:

City Manager Jan Dolan  
City Attorney David Pennartz  
City Clerk Sonia Robertson

**Announcements**

Mayor Manross announced two District Advisory Task Force public meetings to be held on April 8, 2003 at 6:30 p.m. at the Via Linda Center and on April 9, 2003 at 6:00 p.m. at City Hall.

Mayor Manross listed the following events that are to be held in the month of April relating to Scottsdale celebrating Clean and Beautiful Month:

Rebuilding Together with Christmas in April – April 5  
Neighborhood Clean up Weekend – April 12 and 13  
Earth Speak Week – April 14  
Adopt-a-Road – Scottsdale Clean & Scenic – April 26

Mayor Manross also noted that on April 5<sup>th</sup>, a Hazardous Waste Collection event will be held. For more information, call 480-312-5602.

**Public Comment**

**Elaine Abts**, 8237 E. Jackrabbit Road, explained that Rural Metro was a fine fire department back when it was first started. She questioned how the public can get fair reporting on both sides of the issue when the newspaper is bias.

**Leon Spiro**, 7814 E. Oberlin Way, read a memo (copy attached) sent to Hon. JD Hayward from the legislative attorney in the American Law Division regarding rights associated with GLO easements.



**DRAFT**

**Minutes**

**REGULAR MEETINGS**

March 3, 2003

March 4, 2003

COUNCILMAN SILVERMAN MOVED TO APPROVE THE MINUTES OF THE MARCH 3, 2003 REGULAR MEETING AND MARCH 4, 2003 REGULAR MEETING. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

**1. Tutto Benne Italian Bistro Liquor License**

**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for an existing restaurant. Approval of this request will add a 270 sq. ft. addition to the licensed area of the restaurant.

**Location:** 13901 N 73rd St

**Reference:** 7-EX-2003

**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)

**2. Rawhide Liquor License**

**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a person transfer of an existing series 6 (bar) State liquor license for an existing Western Theme Park.

**Location:** 23023 N Scottsdale Rd

**Reference:** 13-LL-2003

**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)

**3. Restaurant Hapa Liquor License**

**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a new series 12 (restaurant) State liquor license for an existing restaurant location.

**Location:** 6204 N Scottsdale Rd

**Reference:** 14-LL-2003

**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)

**4. Los Sombreros Liquor License**

**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a new series 12 (restaurant) State liquor license.

**Location:** 2534 N Scottsdale Rd

**Reference:** 15-LL-2003

**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)

**DRAFT**

**5. Nothing But Noodles Liquor License**

**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a person transfer of a series 07 (beer & wine bar) State liquor license for an existing beer/wine bar location.

**Location:** 9011 E Via Linda

**Reference:** 16-LL-2003

**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)

**6. Treviso Abandonment**

**Request:**

1. Abandon roadway and utility easements along Standing Stones Road alignment, 106<sup>th</sup> Street alignment, and two east-west roadway alignments located just north of Stagecoach Pass Road within the proposed Treviso subdivision boundary.
2. Require right-of-way dedications along Lone Mountain Parkway and Stagecoach Pass Road as a condition of the abandonment and final plat approval.
3. Require a public trail easement and improvements along Lone Mountain Parkway as a condition of the abandonment and final plat approval.
4. Adopt Resolution No. 6271 abandoning the aforementioned roadway easements. The recordation of the Resolution shall be done simultaneously with the recordation of the final subdivision plat.

**Location:** North of Stagecoach Pass Rd, south of Standing Stones Rd, between 106th St. & 110th St alignments

**Reference:** 4-AB-2002

**Staff Contacts:** Cheryl Sumners, Senior Planner, 480-312-7834, [csumners@ScottsdaleAZ.gov](mailto:csumners@ScottsdaleAZ.gov)

**7. Treviso Final Plat**

**Request:** Approve 96 residential lots with amended development standards.

**Location:** Stage Coach Pass & Lone Mountain Pkwy

**Reference:** 13-PP-2000

**Staff Contact(s):** Al Ward, Senior Planner, 480-312-7067, [award@ScottsdaleAZ.gov](mailto:award@ScottsdaleAZ.gov)

**8. REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 7**

**\*\*\*9. Mountainside Plaza \*\*\*Final\*\*\* Plat**

**Request:** Approve a \*\*\*Final\*\*\* Plat

**Location:** NEC 116th Street & Shea Blvd

**Reference:** 23-PP-2002

**Staff Contact(s):** Kira Wauwie AICP, Project Coordination Manager, 480-312-7061, [kwauwie@ScottsdaleAZ.gov](mailto:kwauwie@ScottsdaleAZ.gov)

**10. Whisper Rock Rezoning and Development Agreement**

**Request:**

1. To rezone from Resort/Townhouse Residential, Environmentally Sensitive Lands (R-4R ESL), Single Family Residential, Environmentally Sensitive Lands (R1-43 ESL), Single Family Residential, Environmentally Sensitive Lands (R1-130 ESL) to Resort/Townhouse Residential, Environmentally Sensitive Lands, Planned Community District (R-4R, ESL, PCD), Single Family Residential, Environmentally Sensitive Lands, Planned Community District (R1-43, ESL, PCD), Single Family

Residential, Environmentally Sensitive Lands, Planned Community District (R1-130, ESL, PCD) and

2. To revise the approved Amended Development Standards for Resort/Townhouse Residential, Environmentally Sensitive Lands (R-4R ESL) and
3. To revise the approved Development Agreement on a 10+/- acre parcel located near Hayden Road and Ashler Hills Road (extended)
4. A revision to an approved conditional use permit for a golf course on a 330 +/- acre parcel located near Hayden Road and Ashler Hills Road
5. Adopt Ordinance No. 3499 affirming the above rezoning.
6. Adopt Resolution No. 6264 affirming the Development Agreement No. 2001-023-COSA

**Location:** E Lone Mountain Rd/n Scottsdale Rd (ne)

**Reference:** 29-ZN-2000#2 & 4-UP-1999#3

**Staff Contacts:** Kira Wauwie AICP, Project Coordination Manager, 480-312-7061, [kwauwie@ScottsdaleAZ.gov](mailto:kwauwie@ScottsdaleAZ.gov)

City Attorney Pennartz noted that staff handed out a corrective Ordinance on this item since Sections 1 (acreage) and 4 (district) listed incorrect information. If approved, he noted that this item should be approved as amended.

**11. Alltel Communications At Troon North Use Permit**

**Request:** Approve a conditional use permit for a personal wireless service facility located at the northeast corner of Dynamite Blvd and N 114th St. with Single-Family Residential, Environmentally Sensitive District (R1-18, ESL) zoning.

**Location:** E Dynamite Blvd/ N. 114th St. (Northeast Corner)

**Reference:** 28-UP-2002

**Staff Contact(s):** Bill Verschuren, Senior Planner, 480-312-7734, [bverschuren@ScottsdaleAZ.gov](mailto:bverschuren@ScottsdaleAZ.gov)

Councilman Silverman asked if the resident who opposes this action is in the audience or if anyone knows why he believes approval of this action would cause a hazard to his property. He was not in the audience. Mr. Grant explained that staff learned today of the objection. He noted that staff would follow up with the resident.

**12. Edufit Use Permit**

**Request:** Approve a conditional use permit for a health studio within one suite of the existing shopping center located at the northeast corner of Scottsdale Road and Pinnacle Peak Road (23425 N Scottsdale Road) with Central Business District (C-2) zoning

**Location:** 23425 N Scottsdale Rd

**Reference:** 29-UP-2002

**Staff Contact(s):** Bill Verschuren, Senior Planner, 480-312-7734, [bverschuren@ScottsdaleAZ.gov](mailto:bverschuren@ScottsdaleAZ.gov)

**13. Intergovernmental Agreement between Cities of Phoenix and Scottsdale for joint management of shared groundwater resources**

**Request:** Adopt Resolution No. 6251 authorizing the execution of Agreement No. 2003-024-COS.

Authorize execution of Intergovernmental Agreement No. 2003-024-COS with the City of Phoenix. This Agreement provides for the development of a joint database and conducting groundwater modeling in order to develop an action plan. This aquifer management plan will contain a strategy for the joint management of the groundwater resource utilized by both Phoenix and Scottsdale for water supply purposes.

**Staff Contact(s):** Beth Miller, Water Resources Advisor, (480) 312-5009, [emiller@ci.scottsdale.az.us](mailto:emiller@ci.scottsdale.az.us)

**14. Adoption of Adjusted Water, Water Resources and Sewer Development Fees**

**Request:** Adopt Ordinance No. 3496, Water Development, Water Resources Development and Sewer Development Fees adjusted with a construction cost index increase of 2.4% for Fiscal Year 2003-2004, effective July 1, 2003.

**Staff Contact(s):** David M. Mansfield, Water Resources General Manager (480)-312-5681.

[dmansfield@ScottsdaleAz.gov](mailto:dmansfield@ScottsdaleAz.gov)

**15. Intergovernmental Agreement for Disaster and Emergency Management between Maricopa County and the City of Scottsdale**

**Request:**

1. Adopt Resolution No. 6269, authorizing the City of Scottsdale to enter into an Intergovernmental Agreement with Maricopa County to provide for common and cooperative planning and action in the event of emergencies and natural disasters.

2. Authorize Intergovernmental Agreement No. 2003-043-COS.

**Staff Contact(s):** Marc Eisen, Emergency Services Director, 480-312-7999, [meisen@ScottsdaleAZ.gov](mailto:meisen@ScottsdaleAZ.gov)

**16. Land acquisition for the McDowell Sonoran Preserve**

**Request:** Adopt Resolution No. 6275 authorizing purchase in the amount of \$908,650 (\$47,500/acre) for the 19.13-acre Parcel No. 217-09-018A, located at 12535 E. Pinnacle Peak Road, for the McDowell Sonoran Preserve. The proposed purchase price represents the property owner's February 2003, counter offer to the city's August 2000, offer to purchase at \$803,500 (\$42,000/acre).

**Related Policies, References:** The parcel is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The acquisition of this land supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and two sub-goals under Goal B: Complete the acquisition of lands within the adopted Preserve boundaries; and Protect natural resources, open spaces and views.

**Staff Contact(s):** Robert J. Cafarella, AICP, Director, Preservation Division, 480-312-2577 ([rcafarella@ScottsdaleAZ.gov](mailto:rcafarella@ScottsdaleAZ.gov))

Mayor Manross opened public testimony.

**Leon Spiro**, 7814 E. Oberlin Way, wondered if the city is going to accept the offer made by the seller since it is more than \$100,000 over the appraised value of the land. He stated his understanding that the property is great for mountain goats. He questioned why the city isn't proceeding with the same process it followed with other property owners who didn't want to sell their property.

Mayor Manross closed public testimony.

**DRAFT**

COUNCILMAN ORTEGA MOVED TO APPROVE CONSENT ITEMS 1-7, 9, 10 (AS AMENDED), AND 11-16. COUNCILMAN ECTON SECONDED THE MOTION WHICH CARRIED 7/0.

## **ITEMS REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION**

### **8. Saguaro Estates Final Plat**

**Request:** Approve a Final Plat

**Location:** Southwest Corner of Dynamite Blvd & Scottsdale Road

**Reference:** 5-PP-2001#2

**Staff Contact(s):** Jayna Shewak, Project Coordination Manager, 480-312-7059, [ishewak@ScottsdaleAZ.gov](mailto:ishewak@ScottsdaleAZ.gov)

Mayor Manross opened public testimony.

**Leon Spiro**, 7814 E. Oberlin Way, questioned if the Planning Commission heard this case. He wondered why staff never requested a portion of the property for a future park or library. He urged Council to deny this request.

Mayor Manross closed public testimony. She noted that the case was heard by the DRB (Design Review Board).

Mr. Grant explained that this is a 160-acre parcel with 88 proposed dwelling units. There are trails dedicated through the site. He stated that it was first approved in 2001. When the approval lapsed, it went through the DRB process early this year. They recommended approval of the preliminary plat with the stipulation that a trail easement be granted on the wash that runs through the site. In terms of park dedication, it was not felt that a park was needed on the site.

In response to questions from Councilman Silverman, Mr. Grant explained that during the first approval process, the trail was on the perimeter of the property; however, during the second approval process the trail was added to the wash. He further clarified that a drainage report indicated some reduction on the site in drainage. He noted that the bottom line is that the development meets the Drainage Ordinance requirements.

COUNCILMAN SILVERMAN MOVED TO APPROVE THE FINAL PLAT FOR SAGUARO ESTATES (5-PP-2001-#2). COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

## **REGULAR AGENDA**

### **17. Text Amendment/ESLO II**

**Request:**

1. Amend Ordinance 455 (Zoning Ordinance) Article III. Definitions.; Section 3.100., General.; Article VI. Supplementary Districts.; Section 6.1010. Environmentally Sensitive Lands Ordinance (ESLO).; Section 6.1011. Purpose.; Section 6.1020. Applicability of Regulations.; Section 6.1021. Applicable Districts and Conditions.; Section 6.1050. Intensity of Development.; Section 6.1060. Open Space Requirements.; Section 6.1070. Design Standards.; Section 6.1071. Design Guidelines.; Section 6.1083. Amended Development Standards.; Section 6.1090.

**DRAFT**

ESL Submittal Requirements.; Section 6.1091. All Applications.; Section 6.1110. Appeals. This covers approximately 134 square miles of desert and mountain areas of Scottsdale and is located north and east of the Central Arizona Project (CAP) Canal.

2. Adopt Ordinance No. 3501 affirming the above text amendment.
3. Adopt Resolution No. 6278 declaring the above text amendment a public record.

**Location:** City-Wide

**Reference:** 11-TA-2000#2

**Staff Contact(s):** Jerry Stabley, Senior Development Planner, 480-312-7872, [jstabley@ScottsdaleAZ.gov](mailto:jstabley@ScottsdaleAZ.gov)

Randy Grant presented a brief slide presentation, which has been outlined below.

### **Environmentally Sensitive Lands Ordinance ESLO-2 Update - 11-TA-2000#2**

#### **Background**

- ESLO-1, Adopted in 1991
- ESLO-2, Adopted Dec. 2001
  - 2 year process
  - Extensive citizen input
  - EQAB oversight

#### **Purpose**

- Council requested review of ESLO-2 at the time of adoption
  - How well it is working?
  - Are revisions necessary?

#### **Process**

- Feedback from:
  - Citizens
  - Applicants, developers
  - Open house meetings
  - Community input
- Staff Review of Plats/DRB applications
- Analysis of how ESLO-2 is working
- Development of recommendations
- Review by EQAB

**DRAFT**

#### **Feedback from Citizens and Applicants**

- Some feel policies are too broad: example, concerns about the 35% LRV exterior color too restrictive, limiting color options
- Some feel policies should be expanded:
  - Greater use restrictions outside of construction envelopes
  - Restricting changes to small washes

#### **Community Input**

- Letters mailed to 1,500 property owners
- Public notice in newspapers
- Press release: overview of changes
- Website: information sheet, open house location, dates and times
- Interested citizens and community groups list: 360 names
- Three Open Houses: 62 people attended

#### **Issues to be Addressed**

- Housekeeping Changes
  - Graphics and Definitions
  - Allow NAOS reductions in HC areas
  - Hazards within Hillside Landform-DRB
  - Refine Landform Map revision process
  - Modify Development Design Standards
- Churches and Institutional Building Heights
- Foothills Overlay Consistency
- Future Revisions

#### **Boulder Feature Definition**

" is exposed bedrock or bedrock clusters produced by the weathering of granite or other bedrock which is categorized as a single boulder formation, being a primarily single, solid rock formation that has at least one (1) dimension of (25) twenty-five feet or more across, and a height at one point above the surrounding terrain of (20) feet or more."

#### **Modify Development Design Standards**

- Materials that are likely to be high gloss, shall be textured or treated to be non-reflective
- Equipment cabinet boxes may be either painted (35% LRV) or screened from adjacent properties

### **Height for Churches and Institutional Buildings**

- Existing Ordinance, all buildings in ESLO Single-family districts shall be 26 feet
- Foothills Overlay, residences 24 feet, churches and institutional buildings are 24 feet, but churches may go up to 40 feet on 10 acre lots
- Staff recommendation to Planning Commission: 30 feet + 15 feet for towers or steeples
- Option: 26 feet + 15 feet for towers or steeples
- Planning Commission recommendation: 26 feet

### **Why Greater Heights?**

- Churches:
  - Assembly areas
  - Gymnasiums
  - General church policies or requirements for overall height for towers and steeples
- Schools:
  - Auditoriums
  - Gymnasiums
  - Cafeterias

In response to questions from Councilman Ortega, Mr. Grant explained that school districts are actually a separate jurisdiction. Although the districts have been very accommodating in terms of going through the DRB process, the city does not have the ability to enforce the ordinance regarding school districts. He clarified that the schools have been willing to work within the current 45' limitation.

### **Churches and Institutional Building Heights in ESLO**

- ESLO
- 26 feet maximum or,
- 26 feet plus 15 feet or,
- 30 feet plus 15 feet

### **Foothills Overlay Consistency**

- ESL Ordinance: If there is a conflict between ESL and any other provision of the Zoning Ordinance, the ESL regulations shall prevail.
- Prevents application of 24-foot building height in the Foothills Overlay, unless Ordinance is modified

Proposal: Amend ESL to state: "The maximum building height in single-family residential (R1) districts shall be twenty-six (26) feet. If there is another overlay in place that has more restrictive standards, then those standards shall apply."



### **Consistency of ESLO and Foothills Overlay**

- Residential: ESLO 26' FO 24'
- Churches and Institutional Buildings: FO 24' plus 16' on parcels over 10 acres plus additional setbacks, ESLO ?
- Currently ESLO takes precedent over FO, relaxes setbacks
- Recommendation: most restrictive policy applies

### **Future Revisions**

- The ESLO-2 revisions, which were completed last year, included a 2 year public dialogue process
- Some citizens want a major revision at this time
- EQAB, which was the citizen group that managed the rewrite of ESLO-2 recommended that the Ordinance have a full review in 2 years, after more projects are completed under ESLO-2

Mr. Grant explained that due to feedback received, an evaluation of drainage and environmental issues will be discussed by the Planning Commission on April 8<sup>th</sup>. He suggested that staff bring this issue back to Council after summer break to report additional findings and receive additional direction on potential ordinance language.

### **Environmental Quality Advisory Board Input**

- Met on Feb. 19, 2003 to review changes
- Voted unanimously to support proposed changes
- Including church heights of 30 and 45 feet, per staff recommendation

### **Planning Commission Recommendation**

- Hearing on Feb. 26, 2003
- Voted to recommend approval: 5-1
- Amendment added: Churches should be limited to 26 feet in height, which includes towers

Mayor Manross opened public testimony.

**Sam West**, 8160 N. Hayden, #J-210, complimented Council for the support they have given to staff regarding this issue. He recommended a 24' height limitation for churches, however, allow the steeple to go higher. He encouraged Council to give direction to staff to come back as soon as possible to receive additional comments and direction especially on the relationship between the ESLO and city's drainage ordinance. He urged Council to get citizens involved in the process as well.

**Tony Nelssen**, 7736 E. Redbird Road, stressed that the purpose of the ordinance is to enhance and protect the desert environment. He questioned why Council would allow exceptions since there is a process available to them to request an exception and mitigate neighborhood differences. He urged Council to accept the proposed language to allow the Desert Foothills Overlay to take precedent over the ESLO.

**Howard Myers**, 6631 E. Horned Owl Trail, expressed his opinion that staff's changes are good but don't address the weaknesses in the existing ordinance. He felt that the protection of certain areas of the desert is currently not achieved adequately. He stated his belief that if the city protects washes and ties it to the NAOS requirement, the goals of the ordinance would be accomplished. He agreed that churches should be required to have the same height restriction as other buildings. He displayed several pictures that he felt illustrate the weaknesses in the current ordinance.

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**Bob Vairo**, 10040 E. Happy Valley Road, #451, spoke as a representative of the Coalition of Pinnacle Peak. He noted that his organization is pleased to see the efforts to strengthen the ordinance since it is one of the most important ordinances on the city books to protect the environment. He agreed that certain aspects of the ordinance still need attention in order to address the fundamental issues. The issues that he felt were key to the successful application of the ordinance include the protection of wildlife corridors, natural drainage features, and maximizing NAOS. He stressed the importance of building envelopes and his support of the 24' foot building height restriction. He recommended that Council approve the proposal as they desire and provide direction to staff to come back within a certain timeframe to tighten the ordinance further.

**Aaron Taylor**, 1701 East Gold Dust Avenue, Phoenix, spoke as a representative for DeBartolo Architects. He noted that his firm is in the process of preparing for a DRB (Design Review Board) submittal for a church to be built on property that is zoned R1-190 in the ESL (Environmentally Sensitive Lands) and Foothill Overlay area. He requested flexibility for churches taking into consideration the institutions unique needs.

Mayor Manross closed public testimony. Two additional cards were received in support of the proposed changes to the ordinance from residents who did not wish to speak.

In response to questions from Vice Mayor O'Hearn, Mr. Grant disagreed that there is a fundamental flaw in the validity of the ordinance. He agreed that whatever the city can do to more closely associate the ELSO and natural area open space to more tangible public safety, health, and welfare benefits would be an advantage to any legal challenge. The premise of both the Hillside Ordinance and ESL is that there is a fundamental and intrinsic value of the natural area open space given the uniqueness of the environment if it has any one of a number of environmental considerations. He felt that to restrict natural area open space to strictly drainage would be a limitation on those properties where drainage is not a factor.

Mr. Grant explained that the city currently has a requirement for building envelopes on lots that have on lot NAOS, which are approx. 50-60% of the cases that come forward. The NAOS is a portion of the site that must remain undisturbed, which implies that there are other portions of the site that do not have to remain undisturbed. If the NAOS is being provided in a common tract and there is no proposal for NAOS on individual lots, technically, they have the ability to place what they like on the lots since the lots are not protected as part of their dedication.

Mr. Grant stated that staff could certainly look at adding a building envelope requirement on other types of plats where common area dedications are made; however, if NAOS isn't indicated on a portion of the property, there is some inherent ability to use that portion of the property.

Mr. Grant further clarified for Vice Mayor O'Hearn that the issue of perimeter walls was discussed during the ESLO II process. From a security standpoint for a subdivision, many subdivisions desired to have a perimeter wall for security purposes. The challenge in allowing perimeter walls is to configure the open space in such a way that it could be maintained out in the open and still provide security on a lot-by-lot basis for citizens within the subdivision. Currently, if a perimeter wall is requested around the subdivision, the requirements must be met for drainage through an opening in the wall.

Mr. Grant verified for Vice Mayor O'Hearn that staff could certainly bring the issue of boulder definition back to Council as a discussion item. He noted that the density bonus is available from R1-43 zoning and larger.

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Vice Mayor O'Hearn listed the issues to be brought back to Council for discussion as including flood, building envelopes, NAOS, wildlife corridor, walls, status of the density bonus, and the smaller boulder issues.

Councilman Ecton explained his belief that there are still gaps in achieving what the ordinances are suppose to do. He agreed that it does not protect the wildlife, control perimeter walls, eliminate total balding, control drainage, or protect the NAOS legal basis. He also expressed his support for the 24' maximum height limit being applied across the board.

Bill Erickson, Flood Plain Administrator, spoke in response to a request from Councilman Ecton. He explained his belief that the city must consider ESL and drainage as being compatible components of the city code. He explained that it would be a good time to supplement the ESL Ordinance.

Deputy City Manager Ed Gawf explained that staff would look at both the ESL and Drainage Ordinances to ensure that any changes would work together. He assured Council that staff is committed to ensure that coordination occurs between flood control, drainage and planning during the review and resolution of these issues.

In response to questions from Councilman Littlefield, City Attorney Pennartz confirmed that churches are allowed, under state statute, to request a variance or exemption from the requirement of a local code or ordinance if they believe it prevents them from carrying out their mission or presents an undue hardship. He noted that the request is reviewed on a case-by-case basis.

Deputy City Manager Ed Gawf summarized the list of items that staff would review and bring back to Council for further direction including: 1) the relationship between ESL and drainage, 2) the issue of wildlife corridors, 3) perimeter walls, and 4) building envelopes. He suggested that staff could come back in September with a status report at the very least.

In response to questions by Councilman Littlefield, Mr. Erickson explained that the desert environment is extremely fragile where washes can be cut off by development, roadwork, water lines, or even a wildlife trail.

Councilwoman Lukas agreed that the ordinance could be improved to better reach its goals. She stated her support for the more restrictive regulations being applied when there is a conflict between the ordinance and an overlay, for a consistent building height regulation with a variance process for churches, to include additional building envelope requirements, and to look at the compatibility between the Drainage and ESL Ordinances.

Councilman Ortega expressed concern that having a uniformed maximum height of 24' for buildings would have a negative impact on churches. He pointed out that a home is quite different than an assembly space; therefore, he would support flexibility in the height restriction for churches. He requested a report from staff indicating plats that have been proposed since the ordinance was revised approximately one and a half years ago.

Vice Mayor O'Hearn questioned if meaningful open space could really be achieved on a R1-43 lot in order to grant an applicant greater density. Secondly, he asked staff to review the possibility of preserving smaller boulder features. He stated his support of a consistent 24' height for buildings with a variance process in place that would allow an applicant to request a variance based on a specific hardship.

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Mayor Manross explained that we need to keep in mind the concept of clustering when talking about density. When clustering occurs, it is an opportunity to make the NAOS have more of an impact. As far as the height restrictions, she stated her belief that there needs to be an opportunity for institutional uses to make a statement.

Councilman Silverman stressed his belief that buildings must fit the terrain within the ESLO areas. He pointed out that he has seen first hand the tremendous effect improper grading can have on washes and other lots. He stated his support for a consistent 24' maximum building height since there is a process in place to apply for a variance.

COUNCILMAN ECTON MOVED TO AMEND ORDINANCE 455, ADOPT ORDINANCE NO. 3501, AND RESOLUTION NO. 6278 WITH THE RESTRICTION LIMITING BUILDINGS TO 24', AND FURTHER DIRECTING STAFF TO BRING THE ADDITIONAL ISSUES RAISED BACK TO COUNCIL IN 6 MONTHS. COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 7/0.

**18. Hotel Valley Ho Historic Preservation Plan**

**Request:**

1. Approve the Hotel Valley Ho Historic Preservation (HP) Plan, excluding the section describing a framework for possible financial incentives, and
2. Approve amended development standards for the Hotel Valley Ho for building height, frontage open space requirements, and front yard parking setback, and
3. Adopt Ordinance No. 3502 affirming the HP Plan and amended development standards for the Hotel Valley Ho for a 8.86+/- acre property, located at 6850 E. Main Street, with Highway Commercial, Historic Property (C-3 HP) zoning.

**Location:** 6850 E. Main Street

**Reference:** 1-HP-2003 and 7-ZN-2002#2

**Staff Contact(s):** Don Meserve, AICP, Preservation Planner, Preservation Division,  
(480) 312-2523

[dmeserve@scottsdaleaz.gov](mailto:dmeserve@scottsdaleaz.gov)

Debbie Able, Preservation Officer, introduced the item with a brief slide presentation, which has been outlined below.

**Hotel Valley Ho  
Historic Preservation Plan with Amended Development Standards  
7-ZN-2002#2 and 1-HP-2003**

**Request: Adopt Ord. #3502**

- Approve Hotel Valley Ho Historic Preservation Plan (excluding financial incentives), and
- Approve Amended Development Standards
  - ◆ For building height, frontage open space and parking lot setback

**Hotel Valley Ho's Exceptional Significance**

- Resort hotel associated with Scottsdale's development as an arts colony & tourist destination
- Significance to community recognized with HP Zoning in July 2002
- Nationally recognized for exceptional significance

### **Evolution of a Historic Property**

- Historic preservation is not about freezing a property in time
- Maintain significant features while allowing property to evolve over time
- Keep property in an economically viable use

### **Why do an HP Plan?**

- Basis is to ensure character-defining features preserved while providing for appropriate change over time
- Mandated by ordinance for properties with HP overlay zoning
- Historic resources merit special treatment because they are a community asset
- Identifies objectives and policies to meet City's preservation goals
- Plan content dependent upon specific needs, character, and opportunities of the historic property

### **What is in Design Review Section?**

- Character-Defining Features
  - ◆ Specific characteristics to be protected and maintained because they distinguish the property
- Design Guidelines
  - ◆ Guidelines for rehabilitation, additions, and new construction/development
  - ◆ Used by HPC to review applications
  - ◆ Guides the review process for Certificate of No Effect or Certificate of Appropriateness

### **What City Support is Proposed?**

- Four Categories of public action:
  - ◆ Technical
  - ◆ Developmental
  - ◆ Financial
  - ◆ Promotional
- HP Commission Incentives Recommendations, presented to City Council 3/3/03, used as guide

### **HP Ordinance Provides for the Amendment of City Standards**

- Restricted to HP properties
- Purpose of amendments - preserve and maintain historic resources/features better than existing standards
  - ◆ Existing standards may conflict with preservation objectives
- Part of City Preservation Support
  - ◆ Developmental Support category
- Process like HP zoning > HPC, PC & CC

### **Amended Standards – Building Height**

- Limited to single location where planned in original 1956 drawings and where foundation exists for the additional floors
- Additional floors increase economic viability of historic resort hotel rehabilitation and allow character defining wings to remain intact
- Proposed 65' height supported by General Plan & comparable to Type 2 Development

### **Amended Standards – Frontage Open Space**

- Historic site plan had landscaping and courtyards throughout the site

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#### **Frontage Open Space**

- Overall open space provided on site exceeds requirements by over 50%

#### **Amended Standards – Parking Setback**

- Historic plan had parking along the perimeter of the site and landscaping throughout the interior

#### **Parking Setback**

- Amendment recognizes historic locations of parking
- Parking spaces along street frontages decrease in proposed site plan

#### **Financial Incentives**

- Not included in this request
- Financial incentives included in HP Plan for information
- Financial incentives will be considered separately through a Development Agreement at a future hearing

#### **Extensive Citizen Involvement**

- Numerous public meetings by HP Commission and owner; several public hearings
- ◆ General Involvement
  - ◆ Specific Valley Ho Involvement

#### **General Citizen Involvement**

- Numerous public meetings and presentations by HP Commission on downtown survey and incentives
  - ◆ Fall 2001 lecture series at Civic Center Library on Post World War II architecture
  - ◆ Early 2002 public open houses at Scottsdale Artist's School on downtown historic survey results
  - ◆ Progress reports on survey results and proposed incentives to Scottsdale Historical Society, Scottsdale Downtown Partnership, and other interested groups

#### **Specific Valley Ho Involvement**

- Numerous public meetings/public hearings on recent and current Hotel Valley Ho cases
  - ◆ Early 2002 open houses/hearings on HP zoning and designating Hotel Valley Ho on register
  - ◆ Fall meetings/hearings on Main Street abandonment
  - ◆ Fall 2002 HPC meetings/hearing on design review and Certificate of Appropriateness
  - ◆ 2003 meetings on amended standards, HP Plan, latest plans by owner/architect > HPC and PC hearings
  - ◆ Owner meetings/open houses with residents of Southwest Village, Scottsdale Palms and others

#### **Conclusion**

- HPO/Staff Recommendation – Approve
- HPC Recommendation 2/13 – Approve
- PC Recommendation 2/26 – Approve
- Owner – Supports HP Plan with amended standards

first high-style boutique urban resort. He noted that the project is unique in the marketplace by virtue of its colorful history, its distinctive mid-century architecture, and its low-density nature in an urban setting.

He summarized the work that has been completed since purchasing the property in May 2002. He noted that the hotel has established a website ([hotelvalleyho.com](http://hotelvalleyho.com)) that will be used to keep the neighbors informed of the progress of the renovation. He explained that he is confident that the project will be a catalyst for redevelopment of the area.

Ken Allen addressed technical issues of the amended development standards for the owner. The two site related issues involve the front yard parking setback and the front yard open space requirement. He noted that the parking spaces already exist; therefore, to comply with the current regulations would mean a reduction of parking spaces. He then pointed out that the front yard open space requirement is also a challenge due to the buildings existence; thereby, limiting the ability to conform to the ordinance requirements. He stressed that the entire site is very open with over 50% of the site or 4.2 acres being open space.

Mr. Allen explained that the third requested amended development standard deals with their request to raise the building to its originally intended height. He pointed out that the building has the structure and foundation to support the additional four levels, which were planned at the location.

Mayor Manross opened public testimony.

**Leon Spiro**, 7814 E. Oberlin Way, explained that he is not in favor or against this request. He noted that he wanted everyone to know that he submitted a comment card to speak on item 16 and was denied his right to comment before Council voted on the item. He questioned if this was a violation of the open meeting law.

Mayor Manross explained that item 16 was a Consent Agenda item. She further explained to Mr. Spiro that his card stuck to the back of another card causing her to overlook his card until after the item was voted on.

**Jane Fallek**, 6633 E. 2<sup>nd</sup> Street, explained that she is president of the Southwest Village Neighborhood Association and spoke on behalf of her neighborhood. She stated that Mr. Lyons met with their neighborhood several months ago to discuss his plans for the renovation of the hotel. She urged Council to vote in favor of the requests.

Mayor Manross closed public testimony.

Councilman Silverman questioned how many rooms would be added to the hotel with the current renovation plans. Mr. Lyons explained that currently there are 180 rooms north of Main Street; however, they have yet to determine how many of the floors will be allocated to residential and/or to rooms. He stated that there plan in Phase I is to keep the number to 96 rooms and utilize the tower for residential that could be put into rental and utilized by the hotel as additional inventory.

After further discussion, Council members agreed that the project would be a unique attraction and be a catalyst for revitalization in the area.

In response to questions from Vice Mayor O'Hearn, Bob Cafarella explained that staff hopes to bring back a financial package with incentives for Council's consideration within the next few months.

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COUNCILMAN SILVERMAN MOVED TO **APPROVE** THE HOTEL VALLEY HO HISTORIC PRESERVATION (HP) PLAN, EXCLUDING THE SECTION DESCRIBING A FRAMEWORK FOR POSSIBLE FINANCIAL INCENTIVES, AND **APPROVE** AMENDED DEVELOPMENT STANDARDS FOR THE HOTEL VALLEY HO FOR BUILDING HEIGHT, FRONTAGE OPEN SPACE REQUIREMENTS, AND FRONT YARD PARKING SETBACK, AND **ADOPT** ORDINANCE NO. 3502 AFFIRMING THE HP PLAN AND AMENDED DEVELOPMENT STANDARDS FOR THE HOTEL VALLEY HO FOR A 8.86+/- ACRE PROPERTY, LOCATED AT 6850 E. MAIN STREET, WITH HIGHWAY COMMERCIAL, HISTORIC PROPERTY (C-3 HP) ZONING. (1-HP-2003 AND 7-ZN-2002#2) COUNCILMAN ECTON SECONDED THE MOTION WHICH CARRIED 7/0.

**19. Hold a Public Hearing on Bell Road II Improvement District and Adopt Resolution 6262 approving final assessments**

**Request:** Hold a Public Hearing on Bell Road II Improvement District and Adopt Resolution 6262 which approves the final recapitulated assessments for properties within the improvement district and determines that the work is complete.

**Related Policies, References:**

Resolution 5751, declaring the intention to form the improvement district, adopted by Council on February 4, 2001.

Resolution 5832, ordering work to begin within the district, adopted by Council on June 5th 2001.

Resolution 5961, Approving the Assessment Diagram and Ordering the Sale of Not to Exceed \$7.9 Million Improvement District (ID) Bonds, adopted by Council on November 5, 2001

**Staff Contact(s):** Alex McLaren, Construction and Design Director, 480-312-7099, [amclaren@ci.scottsdale.az.us](mailto:amclaren@ci.scottsdale.az.us)

Mayor Manross introduced this item as a public hearing regarding the Bell Road II Improvement District and consideration to adopt a resolution approving the final assessments on the district.

Mayor Manross opened public testimony.

**Leon Spiro**, 7814 E. Oberlin Way, pointed out that he doesn't believe Council understands what is going on with this item. He explained that this improvement district is an assemblage of GLO parcels, which he is opposed to. He stated his belief that the city would be approving construction on the GLO easements that are not part of this roadway plan assessment. He reminded Council that he read the memo to Hon. JD Hayward pertaining to GLO easements. He suggested that the city include a disclaimer of liability with each building construction permit that calls for building on the GLO easements. He urged Council to get an expert opinion on the rights associated with the easements and questioned the city's liability if buildings are constructed on the easements.

Since no other interested parties wished to speak, Mayor Manross closed public testimony.

Vice Mayor O'Hearn pointed out that the city attorney has assured Council that they have the right to abandon the public portion of the GLO easements. He explained that the logic behind this action is to encourage creative development not grid pattern development.

Councilman Ortega explained that the improvement district is a great example of pay-as-go development. The developers and property owners in the area funded the infrastructure. By assembling as a group, they



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were able to provide convenience to the McDowell Mountain Ranch Community so they would have an additional outlet.

COUNCILWOMAN LUKAS MOVED TO ADOPT RESOLUTION 6262 WHICH APPROVES THE FINAL RECAPITULATED ASSESSMENTS FOR PROPERTIES WITHIN THE IMPROVEMENT DISTRICT AND DETERMINES THAT THE WORK IS COMPLETE. COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 7/0.

**Public Comment - None**

**City Manager's Report - None**

**Mayor and Council Items - None**

**Adjournment**

With no further business to discuss, Mayor Manross adjourned the meeting at 7:58 P.M.

**SUBMITTED BY:**

  
Ann Eyerly, Council Recorder

**REVIEWED BY:**

  
Sonia Robertson, City Clerk


**DRAFT**

**CERTIFICATE**

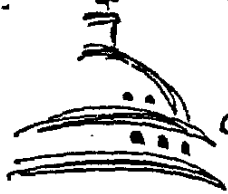
I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 1st day of April 2003.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 7<sup>th</sup> day of April 2003.

  
\_\_\_\_\_  
**SONIA ROBERTSON**  
City Clerk

# COUNCIL FOR THE PUBLIC RECORD



Congressional  
Research  
Service

1 OF 12

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## Memorandum

November 1, 2002

TO: Hon. J.D. Hayworth  
Attention: Ryan Serote

FROM: Pamela Baldwin  
Legislative Attorney  
American Law Division

SUBJECT: Constituent Inquiry Related to the Small Tract Act

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You have asked us to provide background on the questions some of your constituents have raised relating to the Small Tract Act of 1938.<sup>1</sup> By that act, Congress authorized the conveyance of some of the federal public domain lands in parcels usually not exceeding five acres – a size smaller than the parcels conveyed under the homesteading laws or typical grant laws. In order to do so, the Secretary of the Interior had to classify the lands as chiefly valuable for “residence, recreation, business, or community site purposes.” Small tracts could be either leased or purchased. The STA was repealed in 1976 by the Federal Land Policy Management Act (FLPMA), a statute that modernized the management of the federal public domain lands and repealed many previously enacted laws, including the STA, but protected valid existing rights.<sup>2</sup>

Your constituents seek information on the nature of the rights of way that were provided in connection with STA conveyances. Although we cannot provide private legal counsel, and the particular facts regarding title in each case must be ascertained, we can provide a general overview and some background material that may be of assistance. We understand that the Bureau of Land Management (the successor to the old General Land Office that issued many of the patents in question) in the Department of the Interior is preparing a large background packet that will be sent to interested persons soon.

The federal government typically did not address access or rights of way in many land grants or under the homesteading laws, but rather left such matters up to the new land owners and state and local laws to resolve. Similarly, the STA did not address access or rights of way. However, perhaps because of the small size of the parcels typically conveyed under the STA, rights of way were addressed administratively. Initially, rights of way appeared in the

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<sup>1</sup> Act of June 1, 1938, c. 317, 52 Stat. 609, previously codified at 43 U.S.C. §§ 682a *et seq.*

<sup>2</sup> See uncodified §§ 701 and 702 of Pub. L. No. 94-579, 90 Stat. 2744.

forms used for leasing such tracts, and originally were usually 33 feet in width.<sup>3</sup> ~~Later, No-~~  
 authority to provide for rights of way was mentioned in regulations. ~~These later rights of~~  
~~way typically were 50 feet in width, but the nature and the extent of any right of way~~  
 depended on the classification order and the lease or other conveyance document involved.  
 Evidently, some time in the 1950's, small tract parcels began to be conveyed by patent (a  
 document analogous to a deed from the United States). Typically, the rights of way were for  
 "street and road purposes and for public utilities."<sup>4</sup>

If the easement was in a patent, full title to the land was conveyed out of federal  
 ownership, subject to the easement across it at the specified location. Given the silence of  
 the STA and the succinctness of the past regulations – which language seems to have been  
 repeated in patents<sup>5</sup> – it appears that some issues could arise depending on how the purposes  
 and language of the patent easements are interpreted. One pivotal issue would appear to be  
 whether private access rights, as well as more general public road and utility corridor rights,  
 were encompassed by the easements. Given the small size of the parcels, arguably individual  
access as well as the potential for more general public use for road and utility purposes was  
intended. The distinction is important because it determines the extent to which an  
individual parcel owner may have a right that is separate from that of the state or local  
jurisdiction. This in turn determines what actions a landowner may take regardless of any  
 dedication, development, or abandonment of the public aspects of the STA rights of way the  
state or local jurisdiction may take. In this regard, note that both a 1957 Associate Solicitor's  
 opinion and Arizona cases support the conclusion that the easements encompass both a  
private access right and a public road and utility rights.<sup>6</sup>

This conclusion – that the easements run to the benefit of both the private owners and  
 the public – may please or displease current owners, depending on what they seek to do. On  
 the one hand, arguably an owner could not be landlocked by being denied access to his  
 parcel, regardless of whether the local jurisdiction accepted the right of way for public  
 purposes or ever developed it. On the other hand, arguably an owner could not use the land  
within the right of way in a manner that precluded its use for transit and access.

Nor is it clear – if the easement encompasses both private and public rights of way –  
how the easements could be eliminated in order to clear title to parcels burdened by them.  
 Depending, of course, on the wording of the patents, it appears that all interest of the United  
 States was conveyed. If so, there appears to be nothing the United States can do now to  
 change the interest conveyed. Possibly the United States could condemn the individual  
 access rights – a possibility that does not appear likely, even if legally possible. Also, at least  
 in a state whose courts have held that individual access rights are a purpose and result of the  
 federal patent language, it is not clear whether or how state and local actions could change  
 or eliminate that individual property interest contrary to that federal patent language and

<sup>3</sup> See Instruction Memorandum No. 91-196, to All Field Offices from the Director of Bureau of Land Management, re Easements Reserved in Small Tract Act Leases and Patents, March 4, 1991.

\* <sup>4</sup> See, e.g., 43 C.F.R. § 257.17(b) (1962).

<sup>5</sup> See Bernal v. Locks, 196 Ariz. 363, 363-364, 997 P. 2d 1192 (Ariz. Ct. App. Div. 2, Dept. B, 2000). The Bernal court looked especially at the purposes of the STA and the patent language which did not use the word "public" to modify "street and road purposes."

<sup>6</sup> Instruction Memorandum No. 91-196, *supra*; Bernal v. Locks, *supra*; and Hampton v. Zelman, CV 99-14250 (Ariz. Sup. Ct. for Maricopa Co. 2001).

intent. It may be that some combination of relinquishment of the easement by the owners of the dominant properties (those that benefit from the access provided by servient properties across which the easements run) combined with abandonment of the public easement may be a possible way to clear title.

Enclosed are copies of some of the materials sent to us by the Department of the Interior; we are informed that a more complete compilation of Departmental materials on STA patent easements is being assembled.

We hope this information is helpful to you.

SP 10.02 12:28p

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## United States Department of the Interior

BUREAU OF LAND MANAGEMENT

WASHINGTON, D.C.

RECEIVED		DATE
ROUTING	INITIAL	DATE
1 SD	20	12/10/91
1 ASSOCIATE SO		
1 LAW ENFORCEMENT		
1 PUBLIC AFFAIRS		
1 ERO		
1 MINERAL RES		
2 LANDS & REALTY		12/10/91
2 OPERATIONS		12/10/91
1 ADMINISTRATION		
94 943		12/10/91
1 ACTION		
1 ERO		
1 LIBRARY		

IN REPLY REFER TO (321)

Instruction Memorandum No. 91-196  
Expires 9/30/92

To: AFOs  
From: Director

Subject: Easements Reserved in Small Tract Act Leases and Patents

The issue of reserved rights-of-way (or easements) on Small Tract Act leases or patents has been the subject of debate for a number of years. There have been numerous Solicitor's Opinions on the subject as well as court decisions. This memorandum is an attempt to consolidate previously issued guidance and to provide policy and procedure when Small Tract Act rights-of-ways are encountered.

BACKGROUND

The Small Tract Act, passed June 1, 1938, and amended June 8, 1954, did not establish or reserve rights-of-way along the boundaries of leases or patents. The rights-of-way first appeared in the small tract lease form around 1945 and were intended to provide a corridor for access and utilities to small tracts. The lease form was amended in 1949 to specifically provide for maximum 33-foot rights-of-way. In 1950, the right-of-way was first codified in 43 CFR 257 as 33 feet (later changed to 50 feet) unless otherwise provided in the classification order.

Many times the classification order was silent on the issue of rights-of-way while at other times it created the opportunity for a public dedication of a right-of-way. However, there was no consistent use of the classification procedure. Therefore, small tract rights-of-way may or may not be identified in a classification order and may be encountered only as a lease provision or patent covenant.

DEDICATIONS

It is generally accepted that small tract rights-of-way are common law dedications to the public to provide ingress and egress to the lessees or patentees and to provide access for utility services. Confusion arises as to when the rights-of-way attach to the land, the status of the rights-of-way following termination of a lease or a classification order, and the uses which are allowed within the rights-of-way under the authority of the Small Tract Act.

**5 OF 12**

2

1. Between 1938 and 1949 when the lease form was changed to specifically provide for rights-of-way, there were no common law dedications associated with the Small Tract Act. Reservations of rights-of-way in tracts subsequently patented are addressed the same as other patent reservations.

2. From 1949 until the Small Tract Act was repealed in 1976, a right-of-way along the borders of each tract was available for public use as provided in the terms on the lease form, the classification order, or through the regulation requirements.<sup>1/</sup> The right-of-way remained available as long as the lands were classified for small tract use. These rights-of-way were determined to be common law dedications and had the effect of a public easement. However, until acceptance by use of the easement made the dedication complete, the United States could revoke or modify the offer to dedicate in whole or in part. Said another way, unless the common law rights-of-way were actually used for a road or public utilities to serve a small tract, the dedication disappeared with the termination of the classification. To the extent that the common law dedications were accepted through use by appropriate parties prior to revocation of the classification, those rights are protected by the provisions of 43 U.S.C. 1701(a) and 43 U.S.C. 1769.

#### CLASSIFICATION TERMINATION

1(a). When small tract classifications are terminated, the common law right-of-way dedication disappears to the extent that it was not accepted by actual use. Those rights-of-way on public lands within the classification boundaries and along designated tract borders which have been used for road or utilities purposes remain under the authority of the Small Tract Act. Referring to Illustration 1, lots 7, 8, 10, and 14 were patented under the Small Tract Act and following termination of the classification, lot 12 was patented under FLPMA. The remaining lots were not patented and remain public lands. Prior to termination of the classification, access roads were built along the borders of lots 7 & 8, 13 & 14, 19 & 20, and along the borders of lots 3 & 4, 9 & 10, 8 & 14, 9 & 15, and 10 & 16 as indicated. The construction of the roads dedicated the rights-of-way to public use. Within the rights-of-way is a waterline that serves the patented lands. Upon termination of the classification, the road and waterline remain authorized under the authority of the Small Tract Act.

(b). After termination of the classification, additional rights-of-way uses may be made within the borders of the existing rights-of-way for roads and utilities that serve the small tract patents without additional authorization from the United States. Referring to Illustration 1, a future sewerline that will serve the patented tracts may be constructed within the existing rights-of-way without additional authorization or stipulations from the United States.

<sup>1/</sup> 43 CFR 2730, Small Tract, was removed from the CFR in 1980. Prior to 1980, 43 CFR 2731.6-2, Rights-of-way, read "The classification order may provide for rights-of-way over each tract for street and road purposes and for public utilities. If the classification order does not so provide, the right-of-way will be 50 feet along the boundaries of the tract."

**6 OF 12**

3

2. Referring to Illustration 1, after termination of the classification, lot 12 is patented under FLPMA authority. The road into lot 10 is proposed to be extended to provide access to lot 12. A Title V right-of-way is required for the portion of the new road on public land crossing lots 11, 16, 17, and 18, because the right to construct within the small tract easement terminated upon the termination of the small tract classification. Authorization for the new road where it crosses lot 10 must be secured from the private landowner.

#### RIGHT-OF-WAY MANAGEMENT

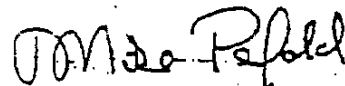
1. The intent of the Small Tract Act easements was to provide access and utility accessibility to the affected tracts. No apparent "public" purpose or governmental use was contemplated except to carry out the purposes of the Small Tract Act to provide for intensive utilization of the public lands. There was no intent to reserve rights to the United States to collect revenue for the roads and utilities constructed. Therefore, rights-of-way authorized under the Small Tract Act are rental free.
2. Roads or utilities that cross public lands outside the tract borders (regardless of whether the rights-of-way serve the small tracts) or other facilities constructed within the rights-of-way borders that do not serve the small tracts require a separate rights-of-way authorization. Referring to Illustration 1, the powerline that crosses lots 13 and 19 was authorized under separate authority because it is outside the tract borders. In addition, a proposal to construct a crude oil pipeline within the rights-of-way is not authorized under the Small Tract Act and a separate authorization is required where the pipeline crosses lots 13, 19, and 20.
3. Upon issuance of a small tract patent, the Secretary is deprived of all rights to the lands except those specifically reserved to the United States. Under a common law dedication, fee title lies with the owner of the land subject to the easement of the public for the use of the land. The government transfers all its interest in and jurisdiction over the lands as completely as if the patent had been made subject to a right-of-way in favor of a named holder of such right-of-way. The government has no legal power, except under eminent domain proceedings for some governmental purpose, to eliminate this restriction from the patent.
4. Rights-of-way in connection with classified but unpatented small tracts may be used for the construction of roads and utilities to serve patented small tracts without the necessity of a formal grant from the United States.
5. Once rights-of-way become dedicated public easements through use by the public, the dedication may be abandoned only by proper authority pursuant to due course of law. In most cases, the proper authority is the county or the city government. If it becomes desirable to abandon an existing small tract easement on public lands, contact the appropriate local government for assistance. Using Illustration 1, a road was constructed along the borders of lots 3 & 4 and 9 & 10 to provide access to a small tract lease in lot 4. Although the lease was abandoned, the construction of the road prior to termination of the classification dedicated the road as a public easement. Unless the road is needed for public access, the local government should be contacted for abandonment of the public easement.



7 OF 12

Because of the confusion created by small tract easements, field offices should encourage existing small tract rights-of-way users and those that would construct future Small Tract Act authorized facilities on public land to apply for authorization under FLPMA and to make every effort to get existing Small Tract Act rights-of way platted to the public land records.

Questions should be directed to Jim Paugh at FTS 268-4200.



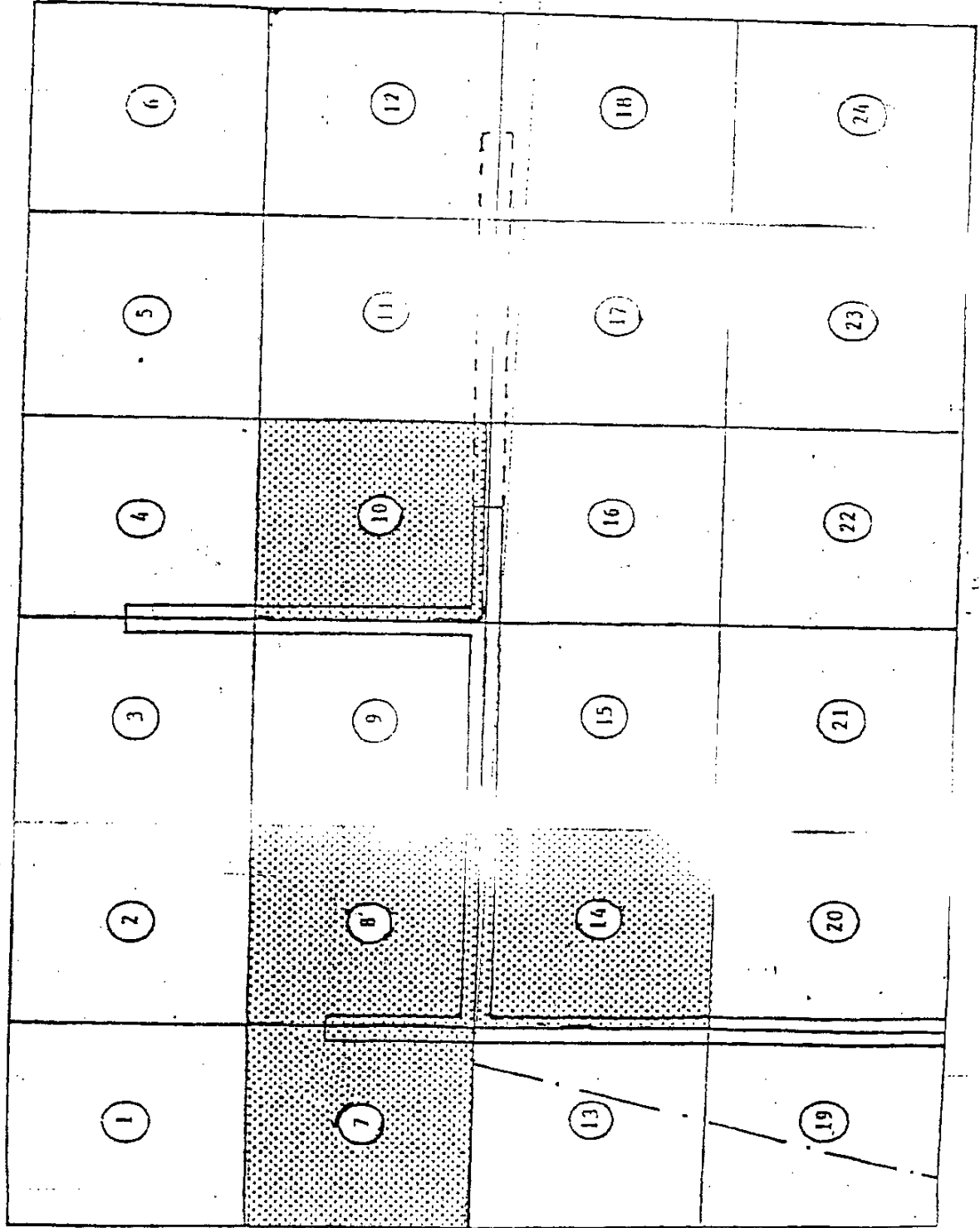
Michael J. Penfold

Assistant Director for Land and Renewable Resources

1 Attachment

1 Illustration (1 of 1)

ILLUSTRATION 1



ep 11:02 08:06a

BLM NSO

7758616712

P.2

9 OF 12

In reply refer to:  
F-57-2121.10C  
O  
P  
YUNITED STATES  
DEPARTMENT OF THE INTERIOR  
Office of the Solicitor  
Washington 25, D. C.

August 5, 1957

## Memorandum

To: Director, Bureau of Land Management

From: Associate Solicitor, Division of Public Lands

Subject: Elimination of a Right-of-Way Reservation from Patent

Your memorandum of June 14 asked whether the United States may eliminate a reservation of a right-of-way, not to exceed 33 feet in width, for roadway and public utility purposes contained in a patent issued under the Small Tract Act of June 1, 1938, as amended (43 U.S.C., sec. 682(a)) after the United States has disposed of the lands along the right-of-way.

Under the circumstances you specify, I find no legal authority for the United States to eliminate the reservation. It is clearly within the statutory authority of the Secretary to insert this restriction in a patent under the Small Tract Act since that Act expressly makes its provisions subject to the discretion of the Secretary. Solicitor's Opinion M-36071 of May 16, 1951 (60 I.D. 477); John L. Rice, A26711 of July 20, 1953; Memorandum from acting Assistant Solicitor to Director, Bureau of Land Management, September 27, 1955. After issuance of a patent the Secretary is deprived of all rights to the lands except those specifically reserved to the United States. See Burke v. Southern Pacific RR Co. 234 U.S. 669 (1914).

The reservation undoubtedly stems from a similar provision in Form 4-776, the small tract lease form issued under the same statute. Back as far as 1945, the lease form contained this provision to allow ingress to and egress from the area of the tract along the boundary lines. The Commissioner of the General Land Office was authorized to make the final decision as to the location of the right-of-way whenever necessary. In 1949, the lease form specifically provided for a maximum 33-foot right-of-way. This provision was included in the form adopted in 1950 when the regulations first provided for an option to purchase the lands under lease. Circular 1764, September 11, 1950, 43 CFR, 1954 ed. 257.16(c), since revised by Circular 1899, January 15, 1955, 43 CFR 1954 ed. Cum. Supp., 257.17(b).

This provision in the small tract lease form was inserted, clearly, for the mutual benefit of the lessees. It is equally clear that the identical provision was included in patents under the regulations which provided for sale as well as leasing of tracts under the Small Tract Act to give patentees the same ready access from area to area.

Attachment 2-1

10 OF 12

There was no actual platting out of the precise boundaries of the area set apart for public use as a right-of-way. Compare United States v. Illinois Central RR Co., 154 U.S. 225 (1894); O.P. Pesman, 52 L.D. 558 (1929); Gamble v. Sault Ste. Marie, 10 L.D. 375 (1890). The intent of the provision in the patent, which names no specific grantee or beneficiary of the right-of-way, seems clearly to effectuate a dedication of a right-of-way for public use. See memorandum of acting Assistant Solicitor to Director, Bureau of Land Management, approved by the Associate Solicitor, Division of Public Lands on May 9, 1955.

An actual platting out of the area dedicated is not necessary, if the dedicator's intent is clear. See Smith v. Shiebeck, 24 A. (2d) 795, 800 (1942); Galewski v. Noe, 62 N.W. (2d) 703 (1954); Abrams v. Lakewood Park Cemetery Ass'n., 196 S.W. (2d) 278, 283 (1946).

No apparent "public" purpose or governmental use was contemplated except to carry out the purposes of the Small Tract Act to provide for intensive utilization of the public lands. It was not intended to reserve rights to the United States. Compare Augusta G. Stanley, et al., A-26959 of November 15, 1954.

Under a common-law dedication, fee title lies with the owner of the land subject to the easement of the public for the use of the land. Carter Oil Co. v. Myers, 105 F. (2d) 259, 261 (1939); Carroll County Board of Education v. Caldwell, 162 S.W. (2d) 391, 393 (1942). In this case, the Government seems clearly to have intended to transfer all its interest in and jurisdiction over the lands as completely as if the patent had been made subject to a right-of-way in favor of a named holder of such right-of-way. See Hurst v. Idaho-Iowa Lateral and Reservoir Co., 202 Pac. 1068, 1070 (1921). The Government has no legal power, therefore, except under eminent domain proceedings for some governmental purpose, to eliminate this restriction from the patent.

Since this Department has lost all jurisdiction over the lands, any question concerning the transfer or release of rights in the patented lands would be subject to determination in the local courts under state law.

/s/ C. R. BRADSHAW  
Acting Associate Solicitor  
For Public Lands

22070

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0002  
DM 030



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Nevada State Office  
850 Harvard Way  
P.O. Box 12000  
Reno, Nevada 89520-0006



2800  
(NV-932.3)

OCT 4 1993

Honorable Richard H. Bryan  
Federal Building  
300 Booth Street, Room 2014  
Reno, NV 89509

Attn: Danelle Snodgrass

Dear Senator Bryan:

This is in reply to your inquiry of September 22, 1993, on behalf of Gary and Sharon Peetz. Mr. and Mrs. Peetz had expressed concern about procedures to abandon an easement across their land off of Mt. Rose Highway.

We have discussed this problem with Mrs. Peetz. The land in question was sold as a part of a larger subdivision pursuant to the Small Tract Act. To ensure access to all parcels in the subdivision, all patents issued contain easements for utilities, and roads. The easements are in the form of public dedications. The only difference between this easement and a private easement is that the dedication was made by the United States. Washoe County is the responsible party to respond to this situation now that the land title has passed into private ownership. Except for a reservation of the mineral estate, the patent transferred all the Federal jurisdiction for the surface.

State law, as contained in NRS 278.460, provides for the abandonment of easements as follows:

1. Any abutting owner or local government desiring the vacation or abandonment of any street or easement or portion thereof must file a petition in writing with the planning commission or, if there is no planning commission, with the governing body having jurisdiction.
2. If there is a planning commission, it shall report on the petition to the governing body as set forth in NRS 278.240.

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3. Whenever any street or easement is proposed to be vacated, the governing body shall notify by certified mail each owner of property abutting the proposed abandonment and cause a notice to be published at least once in a newspaper of general circulation in the city or county, setting forth the extent of the proposed abandonment and setting the date for public hearing, which must not be less than 10 days and not more than 40 days after the date the notice is first published.
4. Except as provided in subsection 5, if, upon public hearing, the governing body is satisfied that the public will not be materially injured by the proposed vacation, it shall order the street or easement vacated....
5. If a utility has an easement over the property, the governing body shall provide in its order for the continuation of that easement.
6. The order must be recorded in the office of the county recorder, if all the conditions of the order have been fulfilled, and upon the recordation title to the street or easement reverts to the abutting owners in the approximate proportion that the property was dedicated by the abutting property owners....

(In this case, title to the land under the easement was conveyed in the patent. An abandonment order will only remove the encumbrance of the easement from the title to the land.)

Questions may be directed to Ken Stowers at (702) 785-6483.

Sincerely,

/s/ BILLY R. TEMPLETON  
Billy R. Templeton  
State Director, Nevada

cc: Toiyabe National Forest  
Attn: Marcia Joseph  
1200 Franklin Way  
Sparks, NV 89431  
Your Washington Office

bc: DM, Carson City  
Director (150) Room 5626, MIB  
Director (260) Room 1000, LS  
SD Congressional File  
CF Congressional File

**DRAFT**

**MINUTES**  
**SCOTTSDALE CITY COUNCIL**  
**CITY COUNCIL SPECIAL MEETING**  
**Tuesday, April 15, 2003**

**The Kiva**  
**City Hall**  
**Scottsdale, Arizona**

# DRAFT

Scottsdale City Council Special Meeting  
Tuesday, April 15, 2003  
Page 2

**MINUTES**  
**SCOTTSDALE CITY COUNCIL**  
**CITY COUNCIL MEETING**  
**Tuesday, April 15, 2003**

## **CALL TO ORDER (IN CITY HALL KIVA FORUM)**

Mayor Manross called to order the Special Meeting of the Scottsdale City Council on Tuesday, April 15, 2003 in the Kiva, City Hall, at 4:07 P.M.

## **ROLL CALL**

Present: Mayor Mary Manross  
Vice Mayor Ned O'Hearn  
Council Members David Ortega, Tom Silverman, Robert Littlefield,  
Wayne Ecton, and Cynthia Lukas

Also Present: City Manager Jan Dolan  
City Attorney David Pennartz  
City Clerk Sonia Robertson

Mayor Manross explained that the meeting was called to begin a discussion in open session to update the City Council on negotiations to acquire up to 400 acres of land for inclusion in the McDowell Sonoran Preserve.

Deputy City Manager Ed Gawf explained that purpose of tonight's session is to update City Council on the negotiations that have been conducted to acquire 400 acres of land for inclusion in the preserve and to receive direction from Council. Specifically, the areas staff would like further direction include the Thompson Peak Parkway alignment, the Reata Wash (drainage plans and the financial responsibility for improvements), defining a process to determine fair market value, and the use of a development agreement to contain any agreements that might be reached between the city and the landowner.

Bob Cafarella briefly explained that this property would provide the planned gateway into the preserve. He noted that the city could not bid on the state land auction when the land was sold since only a portion of the property was within the preserve boundary. He pointed out that preserve tax dollars are restricted to land located within the preserve.

He explained that the tentative alignment that was identified in the 1991 zoning case was revised due to the need for easy access to the preserve for all citizens regardless of their physical capabilities. He stated that the Thompson Peak Parkway was identified as the boundary for the preserve that would provide easy access to all.

Vice Mayor O'Hearn asked for clarification on how the alignment would qualify for discussion in the Executive Session. Attorney Pennartz explained that a series of issues have been part of the overall negotiation for the acquisition of the acreage. The road alignment impacts the number of acres the city would need to acquire, the price the developer would obtain for their development due to the number of lots available, etc. The alignment has been very much a subject of negotiations; therefore, would impact negotiating strategy.



# DRAFT

Scottsdale City Council Special Meeting  
Tuesday, April 15, 2003  
Page 3

1. MOTION TO RECESS INTO EXECUTIVE SESSION, IF NEEDED, FOR LEGAL ADVICE AND TO CONSIDER THE CITY'S POSITION AND INSTRUCT ITS REPRESENTATIVES AND ATTORNEYS REGARDING NEGOTIATIONS AND ACQUISITION OF A PORTION OF THE FOLLOWING PARCEL FOR INCLUSION IN THE McDOWELL SONORAN PRESERVE:

**780 acres of land located between Bell Road and Union Hills Road, at approximately 104<sup>th</sup> Street.** A.R.S. 38-431.03 (A)(3), -(A)(4) and -(A)(7). Contact: Robert Cafarella 480-312-2577, ([rcafarella@ci.scottsdale.az.us](mailto:rcafarella@ci.scottsdale.az.us))

COUNCILMAN ORTEGA MOVED TO RECESS INTO EXECUTIVE SESSION FOR LEGAL ADVICE AND TO CONSIDER THE CITY'S POSITION AND INSTRUCT ITS REPRESENTATIVES AND ATTORNEYS REGARDING NEGOTIATIONS AND ACQUISITION OF A PORTION OF THE FOLLOWING PARCEL FOR INCLUSION IN THE MCDOWELL SONORAN PRESERVE: 780 ACRES OF LAND LOCATED BETWEEN BELL ROAD AND UNION HILLS ROAD, AT APPROXIMATELY 104<sup>TH</sup> STREET. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

## Adjournment

With no further business to discuss, Mayor Manross adjourned the meeting at 4:21 P.M.

## SUBMITTED BY:

  
\_\_\_\_\_  
Ann Eyerly, Council Recorder

## REVIEWED BY:

  
\_\_\_\_\_  
Sonia Robertson, City Clerk


**DRAFT**

**CERTIFICATE**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Special Meeting of the City Council of Scottsdale, Arizona held on the 15th day of April 2003.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 17<sup>th</sup> day of April 2003.

  
\_\_\_\_\_  
**SONIA ROBERTSON**  
City Clerk

**DRAFT**

**MINUTES**

**SCOTTSDALE CITY COUNCIL**

**CITY COUNCIL MEETING**

**Tuesday, April 15, 2003**

**The Kiva  
City Hall  
Scottsdale, Arizona**

**DRAFT**

**MINUTES  
SCOTTSDALE CITY COUNCIL  
CITY COUNCIL MEETING  
Tuesday, April 15, 2003**

**CALL TO ORDER (IN CITY HALL KIVA FORUM)**

Mayor Manross called to order the Regular Meeting of the Scottsdale City Council on Tuesday, April 15, 2003 in the Kiva, City Hall, at 5:17 P.M.

**ROLL CALL**

Present:

Mayor Mary Manross  
Vice Mayor Ned O'Hearn  
Council Members David Ortega, Tom Silverman, Robert Littlefield,  
Wayne Ecton, and Cynthia Lukas

Also Present:

City Manager Jan Dolan  
City Attorney David Pennartz  
City Clerk Sonia Robertson

**Pledge of Allegiance**

Councilwoman Lukas led the audience in the Pledge of Allegiance.

**Invocation - None**

**Presentations/Information Updates**

Proclamation Recognizing City Volunteers

Mayor Manross read the proclamation recognizing city volunteers. Jacquie Murray, who has volunteered with the city for 11 years, accepted the proclamation on behalf of all the volunteers citywide.

Heritage Fund Check Presentation

Robert Baldwin, Recreational Trails Grant Coordinator for Arizona State Parks, presented the city with a check for \$189,851.00 from the Heritage Fund to be used for the development of two trailheads located in the Hidden Hills Community, the construction of approximately five miles of the Sunrise Trail from the trailheads, as well as a map/brochure. He explained that the two trailheads would be the first official accesses to the McDowell Sonoran Preserve.

Mayor Manross thanked Mr. Baldwin and explained that since 1991, Scottsdale has received \$2.2 million from the Heritage Fund to pay for projects such as Cholla Park, lighting sports fields, Cactus Road trail development and Eldorado Skate Park.

**DRAFT**

**Appointment - Associate Judge – Orest Jejna**

Mayor Manross acknowledged the diligent work of the Judicial Appointments Advisory Board. She explained that they have completed an extensive process including background and reference checking, citizen surveys, an interview, and a public hearing on Judge Jejna's reappointment.

COUNCILMAN SILVERMAN MOVED TO ACCEPT THE UNANIMOUS RECOMMENDATION OF THE ADVISORY BOARD TO REAPPOINT OREST JEJNA TO A SECOND TERM RUNNING FROM MAY 1, 2003 THROUGH MAY 1, 2005 AT A SALARY OF \$108,180. COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 7/0.

**Boards and Commissions**

Vice Mayor O'Hearn identified the commission, the purpose of the board, and any special qualifications necessary for the open position(s) as appropriate for each board.

Historic Preservation Commission (1)

Vice Mayor O'Hearn opened the floor for nominations.

Councilwoman Lukas nominated Nancy Dallett

With no further nominations forthcoming, Vice Mayor O'Hearn closed the floor for nominations.

**Nancy Dallett** was appointed to the Historic Preservation Commission by a unanimous vote.

McDowell Sonoran Preserve Commission (3)

Vice Mayor O'Hearn opened the floor for nominations.

Councilwoman Lukas nominated Christine Kovach

Councilman Ortega nominated Arnold Roy

Mayor Manross nominated Erik Filsinger

With no further nominations forthcoming, Vice Mayor O'Hearn closed the floor for nominations.

**Christine Kovach, Arnold Roy, and Erik Filsinger** were unanimously appointed to the McDowell Sonoran Preserve Commission.

Planning Commission (3)

Vice Mayor O'Hearn opened the floor for nominations.

Councilman Ecton nominated Jeffrey Schwartz

Mayor Manross nominated Mark Soden

Councilman Ortega nominated Andrea Forman

Councilman Silverman nominated David Barnett

Councilman Ecton nominated Eric Hess

With no further nominations forthcoming, Vice Mayor O'Hearn closed the floor for nominations.

**Jeffrey Schwartz, David Barnett, and Eric Hess** were appointed to the Planning Commission by a majority vote. Council determined through an additional vote that **Eric Hess'** term would begin on May 1, 2003 while the other two appointments would be effective immediately.

## Tourism Development Commission (2)

Vice Mayor O'Hearn opened the floor for nominations.

Councilman Silverman nominated Kenneth Goldfine  
Councilman Ecton nominated Gerald Gleason

With no further nominations forthcoming, Vice Mayor O'Hearn closed the floor for nominations.

**Kenneth Goldfine and Gerald Gleason** were appointed to the Tourism Development Commission by a unanimous vote.

## **Public Comment**

**Billy Kirkland**, 1809 N. 73<sup>rd</sup> Place, questioned why the City Council would vote to give the Ellman Companies \$42 million to build a Wal-Mart, Lows, and Sam's Club on their property.

**Mike Manson**, 8350 E. Lariat Lane, stated that Propositions 200 and 201 would have a serious fiscal impact on the city if approved. He urged the city to provide the citizens with more information.

**Lee Davis**, 363 W. Canary, Chandler, urged citizens to support Propositions 200 and 201 in May.

**Shawndee Ambrosia**, 3806 S. Seton Avenue, urged everyone to vote for Propositions 200 and 201.

**Christina Canale**, 6330 E. Delcoa Avenue, explained that none of the communities that terminated their contract with Rural Metro have regretted their decision. She urged people to support both firefighter initiatives.

**Daniel Basinger**, 29503 N. 107<sup>th</sup> Place, reported that the latest Hazardous Waste Collection Event was a success. He also reminded everyone that the Adopt-A-Road Program is scheduled for April and urged citizens to participate.

## **Minutes - REGULAR MEETINGS**

March 17, 2003

March 18, 2003

COUNCILWOMAN LUKAS MOVED TO APPROVE THE REGULAR MEETING MINUTES FOR MARCH 17, 2003 AND MARCH 18, 2003. COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 7/0.

## **CONSENT AGENDA**

### **\*\*\*1. WITHDRAWN**

**Kit Cat Lounge Liquor License**

**DRAFT**

2. **Bashas #129 Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a location transfer of a series 09 (liquor store) State liquor license located within a retail grocery store.  
**Location:** 11755 N 136th St  
**Reference:** 17-LL-2003  
**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)
3. **Pure Fitness Use Permit**  
**Request:** Approve a conditional use permit for a health studio in a 25,000 +/-sq ft tenant space of a building located at 7330 E Shea Blvd, Suites 101 & 102 with Central Business District (C-2) zoning.  
**Location:** 7330 E Shea Blvd 101,102  
**Reference:** 1-UP-2003  
**Staff Contact(s):** Kira Wauwie AICP, Project Coordination Manager, 480-312-7061, [kwauwie@ScottsdaleAZ.gov](mailto:kwauwie@ScottsdaleAZ.gov)
4. **Mountain View Park Final Plat**  
**Request:** Approve a Final Plat.  
**Location:** Northwest corner of 96th Street & Mountain View  
**Reference:** 25-PP-2002  
**Staff Contact(s):** Bill Verschuren, Senior Planner, 480-312-7734, [bverschuren@ScottsdaleAZ.gov](mailto:bverschuren@ScottsdaleAZ.gov)
5. **City of Scottsdale Well No. 123 Use Permit**  
**Request:** Approve a conditional use permit for a city well (municipal use) on a .17 +/- acre parcel located at the northeast corner of Scottsdale Road and East Princess Boulevard with Open Space (OS) zoning.  
**Location:** Northeast corner of Scottsdale Rd & East Princess Blvd  
**Reference:** 25-UP-2002  
**Staff Contact(s):** Bill Verschuren, Senior Planner, 480-312-7734, [bverschuren@ScottsdaleAZ.gov](mailto:bverschuren@ScottsdaleAZ.gov)
6. **Contract with Qwest Corporation for a dedicated telephone line that provides for sharing of freeway and local Intelligent Transportation System related data.**  
**Request:** Consider approval of Contract No. 2003-051-COS with Qwest Corporation, for \$23,416 per year, and increase the proposed budget for traffic signal lines in fiscal year 2003/04 by \$23,500 to cover the added expense. No additional budget is required for fiscal year 2003/04 for period of service April through June 2003.  
**Related Policies, References:** Procurement Code; Resolution No. 4994, February 17, 1998; City Code, Chapter 17-21: Cooperate with other City officials in the development of ways and means to improve traffic conditions.  
**Staff Contact(s):** Bruce Dressel, ITS Analyst, 480-312-2358, [bdressel@ci.scottsdale.az.us](mailto:bdressel@ci.scottsdale.az.us)
7. **Rassner/Library and Scottsdale Community/Human Services Endowments.**

**DRAFT**

**Request:** Consider approving the distribution of interest income from city's endowment program; including the recommendation from the Library Advisory Board for an award of \$20,000 to the library and the recommendation of the Human Services Commission for awards of \$1,000 to Concerned Citizens for Community Health, \$1,000 to Paiute Neighborhood Center, and \$1,000 to the Foundation for Senior Living Resolution.

**Related references:** Resolution # 6112.

**Staff Contact(s):** Sharyn Pennington, Budget/Operations Coordinator, (480) 312-7086, [shap@scottsdaleaz.gov](mailto:shap@scottsdaleaz.gov)

8. **Sole Source Purchase of 3M SelfCheck Machines for the Scottsdale Library System**  
**Request:** Consider authorization of a sole source purchase from 3M Library Systems for replacement of eight (8) self check out machines for use at four (4) Scottsdale library locations and one (1) outreach site at a total price of \$172,640.00.  
**Staff Contact(s):** Debbie Tang, Special Projects/Facilities Manager, (480) 312-2040, [dtang@scottsdaleAZ.gov](mailto:dtang@scottsdaleAZ.gov) for more information
9. **Accept Arizona State Library State Grant-In-Aid construction grant for \$25,000 to bring Mustang Library lobby and restrooms in compliance with ADA**  
**Request:** The grant will be used to replace a portion of City funds budgeted for the Mustang Library ADA project. The project is budgeted in the Facilities Maintenance Department's FY 2002/03 operating budget for \$131,000. The project scope has been reduced and the total project cost is approximately \$94,000. The grant was anticipated and included in the approved FY 2002/03 Grants budget.  
**Related policies:** the Americans with Disabilities Act, 1990.  
**Staff Contact(s):** Please contact Debbie Tang, Special Projects Manager, 312-2040, [dtang@ScottsdaleAZ.gov](mailto:dtang@ScottsdaleAZ.gov); Steve Arnold, Contracts Coordinator, 312-2181, [stevearnold@ScottsdaleAZ.gov](mailto:stevearnold@ScottsdaleAZ.gov)
10. **WITHDRAWN**  
Amend the Recreational Land Use Agreement (RLUA) between the Bureau of Reclamation (BOR) and the City of Scottsdale.
11. **Professional Services Agreement for Financial Advisor**  
**Request:** Authorize Professional Services Agreement No. 2003-047-COS with US Bancorp Piper Jaffray Inc. for Financial Advisor.  
**Staff Contact(s):** Rebecca A. Eickley, Finance and Energy Manager, (480) 312-7084, [reickley@ci.scottsdale.az.us](mailto:reickley@ci.scottsdale.az.us)

Mayor Manross opened public testimony.

Lyle Wurtz, 6510 E. Palm Lane, questioned the amount of money paid to Piper Jaffray for the previous contract. He cautioned that there might be a conflict of interest for Piper Jaffray if bonds are issued and urged the city not to let Piper Jaffray participate in underwriting any bonds that may be issued.

Mayor Manross closed public testimony.

12. **Professional Services Agreement for Bond Counsel**  
**Request:** Authorize Professional Services Agreement No. 2003-048-COS with Snell & Wilmer for Bond Counsel for financings to include Improvement Districts (Ids), General



**DRAFT**

Obligation (GO) Bonds, Water and Sewer Revenue (W & S) Bonds, Highway User Revenue Fund (HURF) Bonds, Municipal Property Corporation (MPC) Bonds, and Scottsdale Preserve Authority (SPA) Bonds.

**Staff Contact(s):** Rebecca A. Eickley, Finance and Energy Manager, (480) 312-7084, [reickley@ci.scottsdale.az.us](mailto:reickley@ci.scottsdale.az.us)

**13. Adoption of Notice of Intention to increase water and wastewater rates and establishment of May 19, 2003 as the date for a public hearing.**

**Request:** Adopt Notice of Intention to set water and wastewater rates for fiscal year 2003/2004 and to establish May 19, 2003 as the date for a public hearing.

**Staff Contact(s):** Craig Clifford, Financial Services General Manager, (480) 312-2364, [cclifford@ScottsdaleAz.gov](mailto:cclifford@ScottsdaleAz.gov)

**14. Gila River Indian Community Water Rights Settlement Agreement**

**Request:** Adopt Resolution no. 6282, authorizing the execution of Agreement 2003-049-COS and Agreement 2003-050-COS and

Authorize execution of the Gila River Indian Community Water Rights Settlement Agreement (Agreement 2003-049-COS) and the Lease Agreement for CAP Water Among the City of Scottsdale, the Gila River Indian Community and the United States, as Trustee for the Gila River Indian Community (Agreement 2003-050-COS). The Settlement Agreement settles the water rights claims of the Gila River Indian Community, and the Lease Agreement provides a 100-year assured water supply of 12,000 acre-feet of CAP water to the City of Scottsdale.

**Staff Contact(s):** Beth Miller, Water Resources Advisor, (480) 312-5009, [emiller@ci.scottsdale.az.us](mailto:emiller@ci.scottsdale.az.us)

**15. Construction Bid Award for Scottsdale Road, Phase One, from Indian Bend to McCormick Parkway**

**Request:** AUTHORIZE Construction Bid Award No. 03PB073 to Hunter Contracting Co., the lowest responsive bidder, at their total base unit price bid of \$7,491,359.22; AUTHORIZE an increase in budget authorization in the total amount of \$1,800,000 to CIP Account No. S2707 (Scottsdale Road – Indian Bend to Gold Dust) effective in Fiscal Year 2003/04;

AUTHORIZE depositing the following estimated payments to CIP Account No. S2707 from the Town of Paradise Valley and various utility companies for work to be performed under City of Scottsdale construction contracts:

- \$1,100,000.00 from the Town of Paradise Valley per C.O.S. Contract No. 96001A, underground conversion of 69 KV power lines, which was approved by Council on December 9, 2002.
- \$400,000.00 from Southwest Gas for trenching and related costs for system relocation and expansion.
- \$200,000.00 from Qwest Communications for system relocation and expansion.
- \$100,000.00 from COX Communications for system relocation.

AUTHORIZE estimated payments totaling \$2,500,000 to APS for this company's direct costs to install 69kV underground conversions, 69kV temporary relocations, 12kV underground conversions and new street light system construction for the entire length of this project.

**DRAFT**

The construction contract proposed for award by this action is the first of two major contracts planned to widen and reconstruct a 2-¾ mile length of Scottsdale Road between Indian Bend Road and Gold Dust Street. This contract includes the widening of a one-mile length of Scottsdale Road between Indian Bend Road and McCormick Parkway and includes a new bridge to be constructed over the Indian Bend Wash immediately south of the McCormick Parkway. The underground conduit system for the 69kV power lines, through this portion of the project, will also be installed as part of this contract and the existing overhead 69kV lines will be temporarily relocated along the east and west sides of Scottsdale Road. The second construction contract to complete the remaining 1 ¾ mile widening and reconstruction of Scottsdale Road is planned for award in April 2004.

**Related Policies, References:**

Intergovernmental Agreement (IGA) No. 96-0001 between City of Scottsdale (city) and Town of Paradise Valley (town) (Approved 2/5/96 by Scottsdale City Council).  
Amendment to IGA No 96-001A which established responsibilities for under grounding of the existing 69kV electrical power line between the city and the town. (Approved 12/9/02 by Scottsdale City Council and approved 12/19/02 by Paradise Valley Town Council)  
De-annexation Ordinance (Approved 11/7/02 by Paradise Valley Town Council and approved 12/9/02 by Scottsdale City Council).

**Staff Contact(s):** Alex McLaren, Construction and Design Director, (480) 312-7099, [amclaren@ci.scottsdale.az.us](mailto:amclaren@ci.scottsdale.az.us); Dan Walsh, Project Manager, (480) 312-5248, [dwalsh@ci.scottsdale.az.us](mailto:dwalsh@ci.scottsdale.az.us)

**16. Contract Modification for Phase 2 Design of the Chaparral Water Treatment Plant Influent and Distribution Lines.**

**Request:** Authorize Contract Modification to Engineering Services Contract No. 2002-073-COS-A with HDR Engineering, Inc., in the amount of \$1,375,559 for Phase 2 of the design of Chaparral Water Treatment Plant Inlet and Distribution Line Project.

**Related Policies, References:** Engineering Services Contract No. 2002-073-COS, approved by City Council on July 1, 2002.

**Staff Contact(s):** Doreen Song, P.E. Project Manager, (480)312-2367, [dsong@scottsdaleaz.gov](mailto:dsong@scottsdaleaz.gov)

**17. REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 9**

**18. Acquire right-of-way/easements (ROW) for the widening of 96<sup>th</sup> Street from Shea Boulevard to Thunderbird Road**

**Request:** Adopt Resolution No. 6285 authorizing the acquisition of various rights-of-way and easements from property located at 9598 E. Cactus Road, owned by Allan and Julie La Magna, at the total appraised value of \$117,611 plus approximately \$1,500 in closing costs for the 96<sup>th</sup> St. Improvements CIP project (Shea – Thunderbird Rd).

**Related Policies, References:**

- a. Resolution No. 6253 authorizing the initiation of negotiations for the acquisition of 16 various parcels of ROW from nine property owners for the 96<sup>th</sup> St. Improvements project (Shea-Thunderbird Rd).
- b. Cactus Corridor Equestrian Overlay District
- c. Bond 2000 CIP Project

**Staff Contact(s):** Marek Urbanek, Project Manager, (480) 312-2563, [murbanek@ci.scottsdale.az.us](mailto:murbanek@ci.scottsdale.az.us);  
Rhonda Thomas, Right of Way Agent, (480) 312-7847, [Rthomas@ci.scottsdale.az.us](mailto:Rthomas@ci.scottsdale.az.us)

**DRAFT**

COUNCILMAN SILVERMAN MOVED TO APPROVE CONSENT ITEMS 2-18 WITH THE EXCEPTION OF 10 AND 17. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

**ITEMS REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION**

**17. Contract for Legal Services in connection with City of Scottsdale v. Glenalden Homes, L.L.C., et al., Superior Court Case No. CV 99-13348**

**Request:** Adopt Resolution No. 6280 authorizing the Mayor to execute Contract No. 2001-038A-COS, an outside counsel contract renewal in a maximum amount of Two Hundred and Fifty Thousand Dollars (\$250,000.00) with the law firm of GRAHAM & ASSOCIATES, LTD. for legal services regarding representation of the City of Scottsdale in the litigation entitled City of Scottsdale v. Glenalden Homes, L.L.C., et al., Superior Court Case No. CV 99-13348, an eminent domain action brought to acquire real property for McDowell Sonoran Preserve.

**Related Policies, References:** Resolution No. 6280

**Staff Contact(s):** David A. Pennartz City Attorney, [dpennartz@scottsdaleaz.gov](mailto:dpennartz@scottsdaleaz.gov)  
(480) 312-2405

In response to questions from Councilman Ecton, Attorney Pennartz explained that the requested money would be used for expenses, which would not include an appeal. If an appeal is necessary, the request for additional funding would be brought before Council as a separate item.

Attorney Pennartz confirmed for Councilman Littlefield that if the \$250,000.00 request were approved, the total would be \$1.3 million thus far. He further clarified that the case has extended over a four-year period. Bills for expert witnesses, etc. have been incurred. He stressed that the litigation has the potential to trim \$5 million off of the judgment and has been a hard-fought case. He recommended that the request be approved.

Mayor Manross opened public testimony.

**Lyle Wurtz**, 6510 E. Palm Lane, questioned the amount of money spent so far on the case and how much more in expenses is anticipated. He requested assurances that the settlement would be correctly allocated back to the McDowell Sonoran Preserve tax money. He also expressed concern that all legal fees associated with the preserve are correctly and accurately allocated to the McDowell Sonoran Preserve fund.

Attorney Pennartz assured Mr. Wurtz that direct costs associated with attorney fees are billed to the appropriate account. He noted, however, that his general time is not billed to the preserve account.

**Leon Spiro**, 7814 E. Oberlin Way, questioned why the city just doesn't accept the landowner's sale price like they did the last time.

Mayor Manross explained that this is a case of eminent domain; therefore, the landowner had made no offer.

Mayor Manross closed public testimony.

**DRAFT**

Vice Mayor O'Hearn questioned if the money requested would be paying bills that are already incurred. Attorney Pennartz explained that there is a contract balance that the bills are applied to. He stated that all the bills incurred to date have not yet been received. He stressed that it is difficult to determine an exact amount that will be needed for on-going legal issues.

Councilman Littlefield questioned if the bills in question have been incurred before Council authorized payment. Attorney Pennartz clarified that when the contract balance is being depleted, a request is brought before Council for additional funding if necessary. He noted that bills are still being incurred and presented since it is an on-going case. He confirmed that this practice is standard and lawful.

COUNCILMAN ECTON MOVED TO ADOPT RESOLUTION NO. 6280 AUTHORIZING THE MAYOR TO EXECUTE CONTRACT NO. 2001-038A-COS, AN OUTSIDE COUNSEL CONTRACT RENEWAL IN A MAXIMUM AMOUNT OF TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000.00) WITH THE LAW FIRM OF GRAHAM & ASSOCIATES, LTD. FOR LEGAL SERVICES REGARDING REPRESENTATION OF THE CITY OF SCOTTSDALE IN THE LITIGATION ENTITLED CITY OF SCOTTSDALE V. GLENALDEN HOMES, L.L.C., ET AL., SUPERIOR COURT CASE NO. CV 99-13348, AN EMINENT DOMAIN ACTION BROUGHT TO ACQUIRE REAL PROPERTY FOR MCDOWELL SONORAN PRESERVE. COUNCILMAN SILVERMAN SECONDED THE MOTION WHICH CARRIED 7/0.

## **REGULAR AGENDA**

### **19. Public Hearing on Scottsdale's Community Development Block Grant Fiscal Year 2003-2004 Annual Action Plan**

**Request:** Solicit public testimony regarding the Fiscal Year 2003-2004 Annual Action Plan for the use of Community Development Block Grant (CDBG) funds in the amount of \$1,400,000; and the HOME Investment Partnerships Program (HOME) funds in the amount of \$423,892; and Adopt Resolution No. 6274.

**Related policies and references:** City Council adopted Resolution No. 5501 on March 20, 2000 which authorized and adopted the City of Scottsdale's Consolidated Plan for general use of CDBG funding and HOME funds for Fiscal Years 2000/2004.

**Staff Contact(s):** Contact Mark Bethel, Community Assistance Manager (480)312-2309, [mbethel@scottsdaleaz.gov](mailto:mbethel@scottsdaleaz.gov)

Mark Bethel provided a brief slide presentation, which is outlined below.

**2003 Grant Allocations  
CDBG/HOME/General Fund  
Scottsdale Cares**

**DRAFT**

## Total Funding Allocations

- Community Development Block Grant \$1,469,000
- HOME \$ 423,892
- General Fund \$ 280,000
- Scottsdale Cares \$ 190,000

## Funding Proposals Presented to Human Services Commission and Housing Board

	Proposals Presented	Funds Requested	Proposals Recommended for Funding	Amount Awarded
CDBG	16	\$1,366,672	16	\$1,189,000
HOME	1	\$ 400,000	1	\$ 400,000
General Funds	10	\$ 323,969	9	\$ 180,000
Scottsdale Cares	29	\$ 343,152	18	\$ 190,000
<b>Total</b>	<b>56</b>	<b>\$ 2,433,793</b>	<b>44</b>	<b>\$ 1,959,000</b>

## Program Benefit Certification

-All recommended activities benefit Scottsdale residents either directly or, in the case of homeless programs, as a proportional share of our part of the regional population.

**DRAFT**

## Recommendation for CDBG

▪ <b>Public Services</b>	<b>\$ 210,000</b>
▪ Youth, Domestic Violence Victims, Seniors, Disabled and Homeless.	
▪ <b>Housing Rehabilitation</b>	<b>\$ 637,760</b>
▪ Three programs	
▪ Emergency Repair Program - Contract prior to July 1 <sup>st</sup>	
▪ <b>Housing Services</b>	<b>\$ 266,240</b>
▪ 1 <sup>st</sup> Time Homebuyer Program	
▪ <b>Public Facilities</b>	<b>\$ 75,000</b>
▪ Community Bridges (EVAC) – Transitional Redevelopment Center in Mesa	
▪ <b>Administration</b>	<b>\$ 280,000</b>

## Recommendation for HOME

▪ <b>Acquisition/Rehabilitation</b>	<b>\$300,000</b>
▪ Community Services of Arizona – acquire and rehab at least 8 units of rental housing	
▪ <b>Affordable Housing</b>	<b>\$100,000</b>
▪ Local HOME match from General Fund for CSA acquisition	
▪ <b>Administration</b>	<b>\$ 26,493</b>
▪ <b>Not Allocated</b>	<b>\$ 97,399</b>

### General Fund Budget

-Public Services	\$180,000
-Senior Services	
-Legal Services	
-Domestic Violence Shelter Services	
-Regional Shelter Services	

### Scottsdale Cares

-Public Services	\$190,000
-Persons with Disabilities	
-Seniors	
-Domestic Violence Victims	
-Families in Crisis	
-Homeless Families	

**DRAFT**

Chairperson Diane Fausel presented the following information.

**Human Services Commission Chairperson – Diane Fausel**

- Funding Process
- Highly Competitive (\$2.43m requested vs. \$1.96m available)
- Many good applications don't get funded
- Thank You
- Human Services Commission
- Housing Board – heard Housing Proposals

**Council Action**

- Public Comments
- Staff and the Human Services Commission request adoption of a resolution to accept CDBG and HOME funds and award contracts for the recommended services.

Mayor Manross noted that this public hearing is the final step in the process as Council considers the recommendations of the commission. She thanked the commission for their efforts and recommendations. Mayor Manross noted that no public comment cards were received for this item.

Councilman Orgeta and Councilwoman Lukas also thanked the commission for their hard work.

Councilman Silverman noted that the Scottsdale Cares Program is a worthwhile program, which is easily supported by citizens by checking a box on their utility bills.

COUNCILMAN ORTEGA MOVED TO ADOPT RESOLUTION NO. 6274. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

**20. Pueblo Poquito Abandonment**

**Request:** Approve the abandonment of a certain portion of the north 10 feet public right-of-way for Mountain View Road, a 20 feet wide section of 123rd Street public right-of-way including a 46 feet radius cul-de-sac, and a 33 feet General Land Office patent roadway easement along the 123rd Street alignment. 123rd Street will change from a public to a private street.

**Location:** 123rd Street & Mountain View Road

**Reference:** 11-AB-2002, Resolution No. 6268

**Staff Contact(s):** Pete Deeley, Project Coordination Manager, 480-312-2554, [pdeeley@ScottsdaleAZ.gov](mailto:pdeeley@ScottsdaleAZ.gov)

NOTE: The presentation and discussion for items 20 and 21 were combined since they were closely related. Please see item 21 for additional information.

COUNCILWOMAN LUKAS MOVED TO APPROVE THE ABANDONMENT OF A CERTAIN PORTION OF THE NORTH 10 FEET PUBLIC RIGHT-OF-WAY FOR MOUNTAIN VIEW ROAD, A 20 FEET WIDE SECTION OF 123RD STREET PUBLIC RIGHT-OF-WAY INCLUDING A 46 FEET RADIUS CUL-DE-SAC, AND A 33 FEET GENERAL LAND OFFICE PATENT ROADWAY EASEMENT ALONG THE 123RD STREET ALIGNMENT. 123RD STREET WILL CHANGE FROM A PUBLIC TO A PRIVATE STREET. COUNCILMAN SILVERMAN SECONDED THE MOTION WHICH CARRIED 7/0.

**DRAFT**

**21. Pueblo Poquito Replat**

**Request:** Approve a replat of Pueblo Poquito Final Plat, a 6-lot subdivision.

**Location:** Northeast corner of Mountain View Road & 123rd Street

**Reference:** 10-PP-1998#2

**Staff Contact(s):** Al Ward, Senior Planner, 480-312-7067, [award@ScottsdaleAZ.gov](mailto:award@ScottsdaleAZ.gov)

Kroy Ekblaw introduced items 20 and 21 in one presentation since the items are closely related. His presentation and comments are outlined below.

**Abandonment - Case 11-AB-02 &  
Replat of Pueblo Poquito - Case 10-PP-98#2**

- Abandon
  - 10 feet of the Mountain View Road
  - 20 feet of 123<sup>rd</sup> Street (including cul-de-sac),
  - 33 feet (GLO) patent roadway easement.
- Replat
  - Requirement of abandonment Case 11-AB-2002.
  - Resolves issues between two property owners.
  - 123<sup>rd</sup> Street becomes a private street.

**Agreement of Property Owners**

- This request is initiated to resolve adjoining property owners issues related to 123<sup>rd</sup> Street improvements.
  - Involved property owners, their legal counsel and city staff.
  - Agreement included:
    - Quitclaiming of property,
    - Relocation of improvements including walls,
    - and replatting of the Pueblo Poquito subdivision.
  - Accomplishes agreed solution to construct 123<sup>rd</sup> Street:
    - 123<sup>rd</sup> Street becomes private street,
    - Eliminating 300 feet of public street
    - and turn-around area is moved south to Mountain View Road.

**Department Issues Checklist**

- City Departments concur with this abandonment request (transportation, trails, public utilities, emergency services, water/sewer, preservation, comprehensive planning, drainage)
  - Adequate turn-around to enable vehicles to return to Mountain View Road.
  - A 10 foot public trail easement is being maintained over the subject 10 foot Mountain View Road right-of-way.
  - Replat maintains trail easements in compliance with City Trails Master Plan.(Along Mountain view & east property line)



**DRAFT**

**Staff Recommendation**

- ✓ Planning Commission Recommends Approval of the Abandonment 5-2
- ✓ Staff recommends approving this abandonment subject to:
  - A 10 foot trail easement over the subject Mountain View Road right-of-way.
  - A replat of the Pueblo Poquito subdivision.
- ✓ Staff recommends approving the Replat of Pueblo Poquito as proposed

\*\*\*\*\*

Mayor Manross opened public testimony.

**Leon Spiro**, 7814 E. Oberlin Way, questioned why the GLO easements aren't shown on the plat plan that was presented to the city for consideration. He noted that the question should be asked to the surveyor of the property. He also asked if the city plans to issue a building permit for the easement. He cautioned that doing so would violate public rights and might open the city up to a liability issue. He pointed out that this property is an assemblage of GLO properties. He requested clarification on the property boundaries and wondered if the easements were ever abandoned. He explained that there is an 8' wall that is right on the property line and questioned if Mr. Burke had a permit to erect the wall. He stressed his opinion that abandoning or building on a GLO easement would present a possible legal challenge. He stated his belief that the city cannot keep abandoning the city's interest and then allow people to build on the easements without the city being liable.

Mayor Manross closed public testimony.

In response to questions from Councilman Littlefield, Kroy Ekblaw explained that the trail has been located along Mountain View following the extreme edge of the site. He also clarified that a wall within the subdivision will be removed.

Mayor Manross questioned if the site plan should reflect the GLO easements. Mr. Ekblaw explained that they were abandoned in 1991; therefore, they would no longer be required on the plat plan.

COUNCILMAN SILVERMAN MOVED TO APPROVE A REPLAT OF PUEBLO POQUITO FINAL PLAT, A 6-LOT SUBDIVISION LOCATED ON THE NORTHEAST CORNER OF MOUNTAIN VIEW ROAD & 123RD STREET. (10-PP-1998#2) COUNCILMAN SILVERMAN SECONDED THE MOTION WHICH CARRIED 7/0.

**Public Comment**

**Leon Spiro**, 7814 E. Oberlin Way, read into record (copy attached) of the paperwork for a court case dealing with a GLO easement issue (Case No. CV99-14250). He suggested that the city request an opinion from the State Attorney General regarding the city's practice of abandoning its rights associated with GLO easements and issuing building permits for construction on the abandoned easement.

**DRAFT**

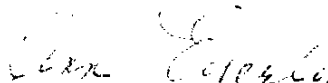
**City Manager's Report - None**

**Mayor and Council Items - None**

**Adjournment**

With no further business to discuss, Mayor Manross adjourned the meeting at 6:40 P.M.

**SUBMITTED BY:**

  
\_\_\_\_\_  
**Ann Eyerly, Council Recorder**

**REVIEWED BY:**

  
\_\_\_\_\_  
**Sonia Robertson, City Clerk**


**DRAFT**

**CERTIFICATE**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 15th day of April 2003.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 17<sup>th</sup> day of April 2003.

  
\_\_\_\_\_  
**SONIA ROBERTSON**  
City Clerk

**DRAFT**

**MINUTES**

**SCOTTSDALE CITY COUNCIL**

**SPECIAL MEETING**

**Monday, April 21, 2003**

**The Kiva  
City Hall  
Scottsdale, Arizona**

**DRAFT**

**MINUTES  
SCOTTSDALE CITY COUNCIL  
SPECIAL MEETING  
Monday, April 21, 2003**

**CALL TO ORDER**

Mayor Manross called to order a Special Meeting of the Scottsdale City Council on Monday, April 21, 2003 in the Kiva, City Hall, at 4:09 P.M.

Present: Mayor Mary Manross  
Vice-Mayor Ned O'Hearn  
Council Members David Ortega, Tom Silverman, Robert Littlefield, Wayne Ecton, and Cynthia Lukas

Also Present: City Manager Jan Dolan  
City Attorney David Pennartz  
City Clerk Sonia Robertson

CONSIDERATION OF RECESSING INTO EXECUTIVE SESSION FOR LEGAL ADVICE AND TO CONSIDER THE CITY'S POSITION AND INSTRUCT ITS REPRESENTATIVES AND ATTORNEYS REGARDING NEGOTIATIONS AND ACQUISITION OF A PORTION OF THE FOLLOWING PARCEL FOR INCLUSION IN THE MCDOWELL SONORAN PRESERVE: 780 acres of land located between Bell Road and Union Hills Road, at approximately 104<sup>th</sup> Street. A.R.S. 38-431.03(A)(3),-(A)(4) and -(A)(7). Contact: Ed Gawf, 480-312-4510, ([egawf@scottsdaleaz.gov](mailto:egawf@scottsdaleaz.gov))

Deputy City Manager Ed Gawf explained that purpose of tonight's session is to update City Council on the negotiations that have been conducted to acquire 400 acres of land for inclusion in the preserve and to receive direction from Council. Specifically, the areas staff would like further direction include the Thompson Peak Parkway alignment, the Reata Wash (drainage plans and the financial responsibility for improvements), defining a process to determine fair market value, and the use of a development agreement to contain any agreements that might be reached between the city and the landowner.

He noted that staff has some additional information from negotiations throughout the week that they would like to discuss with Council in Executive Session.

COUNCILMAN SILVERMAN MOVED TO RECESS INTO EXECUTIVE SESSION FOR LEGAL ADVICE AND TO CONSIDER THE CITY'S POSITION AND INSTRUCT ITS REPRESENTATIVES AND ATTORNEYS REGARDING NEGOTIATIONS AND ACQUISITION OF A PORTION OF THE FOLLOWING PARCEL FOR INCLUSION IN THE MCDOWELL SONORAN PRESERVE: 780 ACRES OF LAND LOCATED BETWEEN BELL ROAD AND UNION HILLS ROAD, AT APPROXIMATELY 104<sup>TH</sup> STREET. A.R.S. 38-431.03(A)(3),-(A)(4) AND -(A)(7). COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

**DRAFT**


**ADJOURNMENT**

With no further business to discuss, Mayor Manross adjourned the meeting at 4:12 P.M.

**SUBMITTED BY:**

  
\_\_\_\_\_  
Ann Eyerly, Council Recorder

**REVIEWED BY:**

  
\_\_\_\_\_  
Sonia Robertson, City Clerk

**DRAFT**

**CERTIFICATE**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Special Meeting of the City Council of Scottsdale, Arizona held on the 21<sup>st</sup> day of April 2003.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 21<sup>st</sup> day of April 2003.

  
\_\_\_\_\_  
**SONIA ROBERTSON**  
City Clerk

# CITY COUNCIL REPORT



MEETING DATE: 05/06/2003    ITEM NO.   1      GOAL: Communications and Open Government

## **SUBJECT**

**Appoint election boards for May 20, 2003 special election**

## **REQUEST**

Consider adoption of Resolution No. 6291 authorizing appointment of election board workers for the May 20, 2003 special election.

### **Related Policies, References:**

Resolution No. 6230, adopted by City Council on January 7, 2003 calling the special election

A.R.S. 9-825 requires that at least ten days before an election the governing body shall appoint election board members from the qualified electors of the municipality.

## **BACKGROUND**

Maricopa County Elections Department provides election support to municipalities and secures polling places and board workers to staff the polling places on election day. Attached to Resolution No. 6291 is the listing of board workers for each of the 30 voting district polling places for the May 20, 2003 election. The election board workers are qualified electors of the City of Scottsdale and many have served on boards for past elections.

Appointment of the election boards will enable the city election to be conducted according to Federal and Arizona laws, the city charter and city ordinances.

## **RESOURCE IMPACTS**

### **Available funding.**

Funding for the special election will come from the Contingency fund. Payment of board workers is included in the 73 cents per registered voter charged by Maricopa County for election support. There is an additional charge of \$1.43 for each early ballot requested.

**Staffing, workload impact.** The City Clerk's office will provide general election information to the public. Early voting at City Hall and the Via Linda Senior Center will be staffed by Maricopa County as part of the election services provided to municipalities.

## **OPTIONS & STAFF RECOMMENDATION**

**Recommended Approach:** Adopt Resolution No. 6291 appointing the election board workers to staff the polling places on Election Day, May 20, 2003.

## **RESPONSIBLE DEPT(S)**

City Clerk's Office

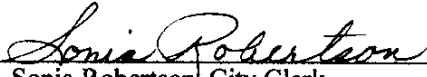
Action Taken \_\_\_\_\_



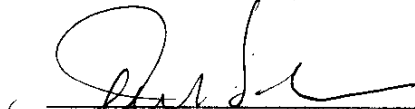
**STAFF CONTACTS**

Sonia Robertson  
City Clerk  
480-312-2754  
srobertson@scottsdaleaz.gov

**APPROVED BY**

  
Sonia Robertson, City Clerk

4-17-03  
Date

  
Jan Dolan, City Manager

4-17-03  
Date

**ATTACHMENTS**

1. Resolution No. 6291

**RESOLUTION NO. 6291**

A RESOLUTION OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA AUTHORIZING THE APPOINTMENT OF OFFICIAL ELECTION BOARDS FOR THE MAY 20, 2003 SPECIAL ELECTION.

WHEREAS, on January 7, 2003, the City Council adopted Resolution No. 6230 calling a Special Election to be held on Tuesday, May 20, 2003 for the purpose of referring to the qualified electors of the City of Scottsdale two initiatives relating to the formation of a municipal fire department, and

WHEREAS election boards are required by law and are necessary to conduct elections efficiently and effectively, and in accordance with the laws of the state; and,

WHEREAS, the persons named in Exhibit A, which is hereby incorporated by this reference, are qualified electors of the City of Scottsdale and many of them have served on past election boards in the city.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale as follows:

Section 1. The Scottsdale City Council does hereby appoint the persons named on Exhibit A to serve on election boards for the May 20, 2003 and Special Election.

PASSED AND ADOPTED by the city council of the City of Scottsdale this 6<sup>th</sup> day of May, 2003.

CITY OF SCOTTSDALE, an  
Arizona municipal corporation

ATTEST:

\_\_\_\_\_  
Sonia Robertson  
City Clerk

\_\_\_\_\_  
Mary Manross  
Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
David A. Pennartz  
City Attorney

## RESOLUCIÓN NÚM. 6291

UNA RESOLUCIÓN DE LA CIUDAD DE SCOTTSDALE, CONDADO DE MARICOPA, ARIZONA QUE AUTORIZA EL NOMBRAMIENTO DE LAS JUNTAS DE ELECCIONES OFICIALES PARA LA ELECCIÓN ESPECIAL DEL 20 DE MAYO DE 2003.

VISTO QUE, el 7 de enero de 2003, el Concilio de la Ciudad adoptó la Resolución Núm. 6230 convocando una Elección Especial que se celebrará en martes, 20 de mayo de 2003 con el propósito de presentarles a los electores habilitados de la Ciudad de Scottsdale dos iniciativas relacionadas con el establecimiento de un departamento de bomberos, y

VISTO QUE, la ley ordena las juntas de elecciones y son necesarias para administrar las elecciones eficazmente y eficientemente, y de acuerdo con las leyes del estado; y,

VISTO QUE, las personas nombradas en el Documento de Prueba A, que por la presente se hace parte de esto por referencia, son electores habilitados de la Ciudad de Scottsdale y muchas de estas personas han servido en juntas de elecciones en el pasado en la ciudad.

AHORA, POR CONSIGUIENTE, RESUELVE el Concilio de la Ciudad de Scottsdale como lo que sigue:

Sección 1. Por la presente el Concilio de la Ciudad de Scottsdale nombra las personas nombradas en el Documento de Prueba A como miembros de las juntas de elecciones para la Elección Especial del 20 de mayo de 2003.

PASADA Y ADOPTADA por el concilio de la ciudad de la Ciudad de Scottsdale este día 6 de mayo de 2003.

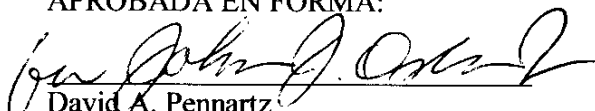
CIUDAD DE SCOTTSDALE,  
Una corporación municipal

CERTIFICA:

\_\_\_\_\_  
Sonia Robertson  
Secretaria de la Ciudad

\_\_\_\_\_  
Mary Manross  
Alcalde

APROBADA EN FORMA:

  
\_\_\_\_\_  
David A. Pennartz  
Abogado de la Ciudad

**BOARD WORKERS**  
**CITY OF SCOTTSDALE MAY 20, 2003 ELECTION**

First Name	Middle Name	Last Name	House #	Street Name	Unit #	Polling Place #	District
MARION	J	HEINZE	7914	E KIMSEY	LN	1	SCOTTSDALE
ETHELYN	LETITIA	MASON	8210	E GARFIELD	ST	1	SCOTTSDALE
HELEN	LOU	MOELLER	7907	E KIMSEY	LN	1	SCOTTSDALE
MARCELLA		PAPP	980	N GRANITE REEF	RD	1	SCOTTSDALE
H	MEREDITH	REMLEY	1217	N MILLER	RD	1	SCOTTSDALE
SARA	ENGLISH	REMLEY	1217	N MILLER	RD	1	SCOTTSDALE
HELEN	LORAIN	DILLOW	1202	N 66TH	ST	2	SCOTTSDALE
GERDA	F	FINKLER	3500	N HAYDEN	RD	2	SCOTTSDALE
JAMES	RAY	HOOKER	2538	N 87TH	WAY	2	SCOTTSDALE
KENNETH	D	MALONE	2326	N 87TH	WAY	2	SCOTTSDALE
SAMMIE	J	MALONE	2326	N 87TH	WAY	2	SCOTTSDALE
DOROTHY	MARJORI	BACHER	7840	E MONTE VISTA	RD	3	SCOTTSDALE
MURIEL	L	HANSEN	8210	E GARFIELD	ST	3	SCOTTSDALE
BRUCE	ALAN	ROBERTS	3702	N 80TH	PL	3	SCOTTSDALE
DIANE	CAROL	ROBERTS	3702	N 80TH	PL	3	SCOTTSDALE
AUDREY	N	VICHUNAS	8210	E GARFIELD	ST	3	SCOTTSDALE
MARYJO		ALMENDINGER	7901	E GRANADA	RD	4	SCOTTSDALE
BARBARA	JEAN	ENSEL	7901	E CORONADO	RD	4	SCOTTSDALE
LEORA		KARAM	2416	N 70TH	ST	4	SCOTTSDALE
JACK	EUGENE	SHAY	6325	E CATALINA	DR	4	SCOTTSDALE
FLORRIS	ELAINE	ZIMMERMAN	1809	N 74TH	ST	4	SCOTTSDALE
DOROTHY	EVELYN	KALEMBER	2201	N 71ST	ST	5	SCOTTSDALE
MARTHA		MYRUSKI	7517	E CULVER	ST	5	SCOTTSDALE
JANET	D	PHILIPS	8526	E PORTLAND	ST	5	SCOTTSDALE
EDNA	IRENE	SIMMERS	2613	N 71ST	ST	5	SCOTTSDALE
CAROLE	M	STEPHENSON	2832	N 69TH	ST	5	SCOTTSDALE
GEORGE	THOMAS	BARD	8347	E LAS ESTANCIAS	ST	6	SCOTTSDALE
MILDRED		BELLI	8114	E VALLEY VIEW	RD	6	SCOTTSDALE
LIBBY		FRIEDBERG	7515	E CHOLLA	LN	6	SCOTTSDALE
DOROTHY	ANITA	RYGG	4826	N 76TH	PL	6	SCOTTSDALE
CHARLIE		SCHOR-SEALFON	7501	N VIA CAMELLO DEL SUR		6	SCOTTSDALE
MARJORIE	ANN	BACKMAN	8314	E MONTEROSA	ST	7	SCOTTSDALE
JAMES	D	EBENTIER	8537	E SAN MIGUEL	AVE	7	SCOTTSDALE

First Name	Middle Name	Last Name	House #	Street Name	Unit #	Polling Place #	District
LALEAH	JO	EBENTIER	8537	E SAN MIGUEL	AVE	7	SCOTTSDALE
KAYE	FRANCES	EDDY	8438	E PLAZA	AVE	7	SCOTTSDALE
ROLANDA	LENORE	WHITMORE	8302	E BUENA TERRA	WAY	7	SCOTTSDALE
MARY	EDITH	BAILEY	8202	E ELM	DR	8	SCOTTSDALE
LOUISE	HENRIETTA	BALDRIDGE	6262	E PINCHOT	AVE	8	SCOTTSDALE
NORMAN	FRANCIS	BELL	8110	E LEWIS	AVE	8	SCOTTSDALE
FRANCES	MAY	MCLAIN	1550	W 6TH	ST	8	SCOTTSDALE
DAVID	LUTHER	ROLAN	8053	E LEWIS	AVE	8	SCOTTSDALE
CAROL	JEAN	CHRISTAKIS	5525	E LINCOLN	DR 75	9	SCOTTSDALE
RONALD	ALVIN	DUTCHER	4950	N MILLER	RD 133	9	SCOTTSDALE
PHYLLIS	S	MARCUS	7960	E CAMELBACK	RD 204	9	SCOTTSDALE
JACOB		STELLING	8762	E VIA DE DORADO		9	SCOTTSDALE
WILLIAM	WESLEY	WEDEL	6969	W PIERSON	ST	9	SCOTTSDALE
DONNA	LEE	DALLAS	5407	N 82ND	ST	10	SCOTTSDALE
HELEN		DE CESARI	3014	N 53RD	PL	10	SCOTTSDALE
ANITA	LOUISE	MCNELLIS	3014	N 53RD	PL	10	SCOTTSDALE
LOUIS	JAMES	SPEROS	4046	E HAZELWOOD	ST	10	SCOTTSDALE
WILLIAM	HAWKINS	TROUTMAN	8518	E MARIPOSA	DR	10	SCOTTSDALE
ROY	MCDONALD	WADDELL	4601	E CALLE REDONDA		10	SCOTTSDALE
ANN	REQUE	BENDLER	8243	E SAN MIGUEL	AVE	11	SCOTTSDALE
RICHARD	ALLEN	GAYLE	2608	N 69TH	PL	11	SCOTTSDALE
ELIZABETH	LEVAY	TOTH	7920	E CAMELBACK	RD 502	11	SCOTTSDALE
BARBARA	ANN	VAINE	8232	E SAGE	DR	11	SCOTTSDALE
PAUL	MARTIN	VAINE	8232	E SAGE	DR	11	SCOTTSDALE
WILLIAM	A	GIORDANO	4701	N 68TH	ST 219	12	SCOTTSDALE
HELEN	LAVETA	HAWKINS	4929	E AMELIA	AVE	12	SCOTTSDALE
RONALD	LINDBERGH	HAWKINS	4929	E AMELIA	AVE	12	SCOTTSDALE
LESTER	MARION	HOLLAND	5540	E PINCHOT	AVE	12	SCOTTSDALE
VIRGINIA	MARTHA	RUDIAK	4911	N 74TH	ST 18	12	SCOTTSDALE
JUANITA	ABBOTT	INGALLS	8068	E KRAIL	ST	13	SCOTTSDALE
NYLA	R	LEVINE	8055	E KRAIL	ST	13	SCOTTSDALE
JOSEPH		NESSIM	6438	N 77TH	WAY	13	SCOTTSDALE
JEAN	ANNETTE	SANTERELLI	8107	E KRAIL	ST	13	SCOTTSDALE
LORENA	JOYCE	STALCUP	8550	E VALLEY VISTA	DR	13	SCOTTSDALE
SHIRLEY		IZENBERG	7511	N VIA DE LA SIESTA		14	SCOTTSDALE

First Name	Middle Name	Last Name	House #	Street Name	Unit #	Polling Place #	District
AMELIA	AMY	PETROVICH	7835	E VIA DE BELLEZA		14	SCOTTSDALE
JOHN		PETROVICH	7835	E VIA DE BELLEZA		14	SCOTTSDALE
EUGENE		SCHWARTZ	7305	E PLEASANT	RUN	14	SCOTTSDALE
IRENE	M	SCHWARTZ	7305	E PLEASANT	RUN	14	SCOTTSDALE
BEVERLY	LEA	GASSON	7833	E MARIPOSA	DR	15	SCOTTSDALE
ELIZABETH	ANN	MILSTEIN	7960	E CAMELBACK	RD 501	15	SCOTTSDALE
MARLENE	M	NAPP	8651	E ROYAL PALM	RD 128	15	SCOTTSDALE
MARY	ANN	STRINGER	7870	E CAMELBACK	RD 201	15	SCOTTSDALE
ROGER		VEILLETTE	7417	N VIA CAMELLO DEL NORTE	160	15	SCOTTSDALE
BARBARA	LOU	WALKER	8229	E ROSE	LN	15	SCOTTSDALE
GERALD	VAN	BRAZELTON	8174	E DEL CUARZO	DR	16	SCOTTSDALE
GLORIA	RENEE	JANKOFKY	9430	E MISSION	LN 115	16	SCOTTSDALE
BELLA		KAZEN	9306	E PURDUE	AVE 139	16	SCOTTSDALE
DAVE	ROBERT	KAZEN	9306	E PURDUE	AVE 139	16	SCOTTSDALE
FLIPPINA	MARY	MCDERMOTT	7115	N 79TH	PL	16	SCOTTSDALE
BEVERLY	D	CLEARY	7237	E SUNNYSIDE	DR	17	SCOTTSDALE
REBA	VAE	FLOWER	4726	E LINCOLN	DR	17	SCOTTSDALE
ELSIE	EHNES	KIDD	10230	N 64TH	PL	17	SCOTTSDALE
CATHERINE	JANE	TUTTLE	9809	N 57TH	ST	17	SCOTTSDALE
JAMES	GILSON	TUTTLE	9809	N 57TH	ST	17	SCOTTSDALE
ANN	K	CAMPBELL	5623	E CENTURY	LN	18	SCOTTSDALE
RALPH	JOSEPH	FISHER	11624	N HAYDEN	RD	18	SCOTTSDALE
MARIE	T	FORT	6980	E SAHUARO	DR 1088	18	SCOTTSDALE
JOHN	RAYMOND	HUNTER	11001	N 55TH	ST	18	SCOTTSDALE
ABIGAIL		MORGAN	5835	E CACTUS	RD	18	SCOTTSDALE
CYNTHIA	JANE	BOYD	8690	E WINDROSE	DR	19	SCOTTSDALE
KATHERINE	M	CWENGROS	11708	N 88TH	PL	19	SCOTTSDALE
KATHY	LUANNE	FOX	6501	E PERSHING	AVE	19	SCOTTSDALE
NANCY	LEE	GREGORY	8630	E WINDROSE	DR	19	SCOTTSDALE
EDWINA	ANN	PERSCHKE	11714	N 88TH	PL	19	SCOTTSDALE
RICHARD	JARED	CALDWELL	8963	E GAIL	RD	20	SCOTTSDALE
SANDRA	JEAN	CALDWELL	8963	E GAIL	RD	20	SCOTTSDALE
LENA	M	FIANNACA	8947	E PALM RIDGE	DR	20	SCOTTSDALE
MARJORIE	R	MILLER	12000	N 90TH	ST 2087	20	SCOTTSDALE
FRANCES	C	PILATO	12000	N 90TH	ST 1017	20	SCOTTSDALE

First Name	Middle Name	Last Name	House #	Street Name	Unit #	Polling Place #	District
ANN	E	ARGYROPOULOS	13430	N 92ND	WAY	21	SCOTTSDALE
BONNIE	JEAN	COOPER	9305	E PURDUE	AVE 165	21	SCOTTSDALE
MEREDITH	L	DONOH	10015	E MOUNTAIN VIEW	RD 1026	21	SCOTTSDALE
PAUL		FIEL	9340	N 92ND	ST 104	21	SCOTTSDALE
CALVIN	MORNS	HOLMAN	8494	N 72ND	PL	21	SCOTTSDALE
DONALD	G	FUNK	9228	N 114TH	ST	22	SCOTTSDALE
GLORIA		GOODMAN	10255	E VIA LINDA	1063	22	SCOTTSDALE
JUDITH		GRAHAM	10250	E MOUNTAIN VIEW	RD 260	22	SCOTTSDALE
BESS		KRAMER	10255	E VIA LINDA	1069	22	SCOTTSDALE
NAOMI	D	NANKIN	10580	E SAN SALVADOR	DR	22	SCOTTSDALE
DOROTHY	JEAN	TOEPEL	10255	E VIA LINDA	2017	22	SCOTTSDALE
MARILYN	J	BELLINCAMPI	9600	N 96TH	ST 172	23	SCOTTSDALE
WARREN	LEE	DVORAK	11367	N 131ST	PL	23	SCOTTSDALE
WILLIAM	JAMES	MCCORMICK	908	W MACKENZIE	DR	23	SCOTTSDALE
HELEN	CHARLENE	PRINCE	14000	N 94TH	ST 1186	23	SCOTTSDALE
DAWN	DIANNE	WALTER	10963	E ALTADENA	DR	23	SCOTTSDALE
PHYLLIS	HATTIE	CAMPBELL	10530	E TOPAZ	CIR	24	SCOTTSDALE
OSCAR	EMIL	HOCHSTRASSER	10546	E GOLD DUST	CIR	24	SCOTTSDALE
ANNETTE	ROSE	REECE	6620	E THUNDERBIRD	RD	24	SCOTTSDALE
IVAN	W	REECE	6620	E THUNDERBIRD	RD	24	SCOTTSDALE
LILLIAN	RUTH	ROSENZWEIG	9438	N 115TH	ST	24	SCOTTSDALE
ELIDA	BUCCINO	GIORDANO	9637	E DAVENPORT	DR	25	SCOTTSDALE
JOSEPH	FRANK	GIORDANO	9637	E DAVENPORT	DR	25	SCOTTSDALE
DAVID		SCHACTER	13083	N 103RD	ST	25	SCOTTSDALE
HARRIET		SCHACTER	13083	N 103RD	ST	25	SCOTTSDALE
JEROME	J	TRUMPER	13565	N 102ND	PL	25	SCOTTSDALE
LILLIAN	K	TRUMPER	13565	N 102ND	PL	25	SCOTTSDALE
DAVID	MOORE	JANSEN	10154	E FLORIADE	DR	26	SCOTTSDALE
SHERIDAN		LEVIN	9066	E EVANS	DR	26	SCOTTSDALE
TEMA		LEVIN	9066	E EVANS	DR	26	SCOTTSDALE
MARY	CLAYBORN	MORGAN	15380	N 100TH	ST 1124	26	SCOTTSDALE
DOUGLAS	ALLEN	MYLET	14015	N 94TH	ST 2080	26	SCOTTSDALE
PHYLLIS	GENTRY	HAEGELE	11450	E KORA	WAY	27	SCOTTSDALE
ROBERT	LEE	HAEGELE	11450	E KORA	WAY	27	SCOTTSDALE
FINLAY	ANGUS	MC DERMID	16314	N 108TH	WAY	27	SCOTTSDALE

First Name	Middle Name	Last Name	House #	Street Name	Unit #	Polling Place #	District
LUCILLE	MARGARET	PAPOL	15757	N 90TH	PL 2097	27	SCOTTSDALE
KATHLEEN	SUZANNE	THOMPSON	16015	N 108TH	ST	27	SCOTTSDALE
NANCY	M	ASH	23887	N 74TH	ST	28	SCOTTSDALE
JOSEPH	V	LASKO	7671	E THUNDERHAWK	RD	28	SCOTTSDALE
JULIA	A	LASKO	7671	E THUNDERHAWK	RD	28	SCOTTSDALE
JAMES	EDWARD	NORRIS	2217	E MORROW	DR	28	SCOTTSDALE
SHARON	SEGERSTEDT	SHREEVE	24340	N 74TH	PL	28	SCOTTSDALE
JUDY	ANN	BURD	11216	E HEDGEHOG	PL	29	SCOTTSDALE
DAWN	E	EVANS	4602	E PEAK VIEW	RD	29	SCOTTSDALE
ROBERT	EDMUND	MANGAM	9820	E THOMPSON PEAK	PKY 656	29	SCOTTSDALE
PAMELA	JEAN	ROADS	9520	E PINNACLE PEAK	CIR	29	SCOTTSDALE
PAUL		WOLIN	7343	E WINGSPAN	WAY	29	SCOTTSDALE
VIRGINIA	FAYE	HORNE	4258	E FOREST PLEASANT	PL	30	SCOTTSDALE
SUSAN	CAROL	PETZEL	4640	E BAJADA	RD	30	SCOTTSDALE
BETH	B	ROSSELLE	4915	E CRIMSON	TER	30	SCOTTSDALE
HEIDI	LYN	SMITH	4621	E DESERT FOREST	TRL	30	SCOTTSDALE
JUDITH	ANN	SMITH	4621	E DESERT FOREST	TRL	30	SCOTTSDALE

(155 row(s) affected)



# CITY COUNCIL REPORT



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MEETING DATE: 05/06/2003    ITEM NO. 2    GOAL: Fiscal Management

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**SUBJECT**

Solicit public testimony on the Proposed FY 2003/04 Operating Budget and Capital Improvement Plan; possible council discussion and decision regarding what fire department option to include in the budget; possible council discussion and decision regarding other programming options to include in the budget.

**REQUEST**

That the City Council receive public input relative to the Proposed FY 2003/04 Operating Budget and Capital Improvement Plan

**BACKGROUND**

The Proposed FY 2003/04 Operating and Capital Improvement Plan was developed using sound budgeting principles recommended by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. Local governments initialize the principles by incorporating their own unique guiding principles based on policies, practices, and economic realities.

Guiding principles followed in developing the City of Scottsdale's Proposed FY 2003/04 Operating Budget and Capital Improvement Plan include:

- Conservative and cautious revenue forecasts due to the uncertainty in the economy;
- A zero-based program approach leading to a focused review of services delivered by the city, increased scrutiny of expenditures and prioritization of the programs to be funded;
- A reduction in positions and operating costs supported by General Fund tax dollars;
- Minimize the service level impacts on citizens and businesses, while continuing innovation to help manage costs, striking a balance between current expectations and investing in the City's future needs and economic generators, and ensuring sound fiscal practices.
- A more realistic and precise plan to continue investment in the city's basic infrastructure and public facilities, combined with a more comprehensive analysis of their future operating costs. Improved cash management and other changes proposed in the Capital Improvement Program will ensure that the city can take advantage of favorable financing and construction markets to build key projects and phase in operating costs for new facilities at a reasonable pace; and
- Sustained funding of the General Fund Reserve per the city's financial policies to ensure the city can provide basic services in the event of major emergencies.

The Proposed FY 2003/04 Operating and Capital Improvement Plan was developed using these principles to guide the allocation and/or reallocation of resources to contribute to the accomplishment of City Council's six broad community goals. Consistent with government fund accounting standards, the City uses a series of fund types to ensure legal compliance and financial management for various revenues and program expenditures. Highlights by fund are noted below:

- General Fund -- total resources decreased \$5.6 million (2.7%) from the current year-end estimate of \$201.2 million to \$195.6 million; expenditures and transfers out decreased by \$8.8 million (4.3%) from the current fiscal year-end estimate of \$204.3 million to \$195.5 million; and the General Fund Reserve of \$20.8 million equals 10% of the total annual operating expenditures of the General and Highway User Revenue funds per the city's adopted financial policies, the Economic Investment Reserve balance decreased to \$3.8 million after considering the initial debt service payment for the Loloma Museum, the Operating Contingency equals \$1.5 million and the Unreserved Balance is \$1.4 million. The number of proposed full time staff equivalents is 32 less than the current year.
- Special Revenue Funds:
  - Highway User Revenue Fund (HURF) -- total resources decreased \$1.3 million (5.3%) from the current year-end estimate of \$24.6 to \$23.3 million, expenditures and transfers out equal total resources.
  - Transportation .2 Percent Sales Tax Fund -- total resources decreased less than \$.1 million (.6%) from the current year-end estimate of \$16.1 to \$16.0 million, expenditures and transfers out equal total resources.
  - Preservation Sales Tax Fund -- total resources decreased less than \$.1 million (.6%) from the current year-end estimate of \$16.7 to \$16.6 million, expenditures and transfers out increased \$.5 million (3.1%) from the current fiscal year-end estimate of \$15.9 million to \$16.4 million; and the Unreserved Balance is \$19.2 million.
  - Special Programs Fund -- total resources increased by \$1.1 million (49.0%) from the current year-end estimate of \$2.4 to \$3.6 million, expenditures and transfers out increased \$.8 million (33.3%) from the current fiscal year-end estimate of \$2.4 million to \$3.2 million; and the Fund Balance is \$1.7 million.
- Debt Service Fund -- total resources increased \$2.6 million (6.3%) from the current year-end estimate of \$41.2 to \$43.8 million, expenditures and transfers out increased by \$3.2 million (7.9%) from the current fiscal year-end estimate of \$40.6 million to \$43.8 million; and the Fund Balance is \$10.7 million.
- Enterprise Funds:
  - Aviation Fund -- total resources increased \$.5 million (20.8%) from the current year-end estimate of \$2.4 to \$2.9 million, expenditures and transfers out decreased less than \$.2 million (8.3%) from the current fiscal year-end estimate of \$2.4 million to \$2.2 million; and the ending fund balance/reserve consists of an Operating Reserve of \$.3 million and an Unreserved Fund Balance of \$.4 million.
  - Solid Waste Fund -- total resources increased \$.1 million (.6%) from the current year-end estimate of \$16.1 to \$16.2 million, expenditures and transfers out increased \$.6 million (4.1%) from the current fiscal year-end estimate of \$14.5 million to \$15.1 million; and the ending fund balance/reserve consists of an Operating Reserve of \$3.2 million and an Unreserved Fund Balance of \$2.3 million. The number of proposed full time staff equivalents is 1 less than the current year.

- Water and Sewer Fund -- total resources increased \$2.8 million (2.7%) from the current year-end estimate of \$103.1 to \$105.9 million, expenditures and transfers out increased \$14.1 million (15.7%) from the current fiscal year-end estimate of \$89.5 million to \$103.6 million; and the ending fund balance/reserve consists of an Operating Reserve of \$17.0 million, Repair and Replacement Reserves of \$16.0 million, and a Special Operations Fund Balance of (\$.1) million. The number of proposed full time staff equivalents is 2 less than the current year.
- Internal Service Funds: The unique nature of this type of fund -- internal user charges set to recover cost over several years, and uneven vehicle replacement schedule -- can result in larger variances from year to year than in other fund types.
  - Fleet Management Fund -- total resources increased \$.2 million (1.7%) from the current year-end estimate of \$11.3 to \$11.5 million, expenditures and transfers out decreased \$5.1 million (33.1%) from the current fiscal year-end estimate of \$15.4 million to \$10.3 million; and the ending fund balance/reserve equals \$5.2 million. The number of proposed full time staff equivalents is 5 less than the current year.
  - Self-Insurance Fund -- total resources increased \$.3 million (5.4%) from the current year-end estimate of \$5.5 to \$5.8 million, expenditures and transfers out decreased \$.1 million (1.8%) from the current fiscal year-end estimate of \$5.3 million to \$5.2 million; and the ending fund balance/reserve equals \$15.8 million. The number of proposed full-time staff equivalents is 1 less than the current year.
- Capital Improvement Funds -- the FY 2003/04 proposed budget consists of \$507.6 million in project expenditures, including \$303.8 million of carryover budget authorization from prior years for projects not yet completed. The plan is funded by a combination of \$177.2 million in new resources and use of prior year-end fund balance. Resources and expenditures vary widely from year to year due to the unique nature of these funds -- one-time expenditures occur over one or many years, with unexpended balances re-appropriated each year.
- Grant and Trust Funds -- resources and expenditures both increase by \$.9 million (3.0%) to \$27.8 million. The budget includes contingent revenue and expenditures of \$17.1 million for possible future grants; however the city will only expend grant funds that have been awarded by the appropriate agency and accepted by City Council via Council Action for each such occurrence.

The Proposed FY 2003/04 Capital Improvement Plan, Operating Budget and Financial Policies were reviewed by the City Council in Work Study Sessions held on March 31, April 7 and April 21, respectively. Additionally, the Citizen Budget Review Committee presented their findings and recommendations to the City Council during a Work Study Session on Monday, May 5.

This public hearing is the first of three scheduled public hearings on the proposed budget. The remaining scheduled public hearing, adoption dates, and budget work study sessions are as follows:

Monday, May 12	Work study session
Monday, May 19	Second public budget hearing and adoption of tentative budget
Monday, June 2	Third public budget hearing, adoption of final budget, and Truth-in-taxation public hearing
Monday, June 16	Adoption of the property tax and streetlight levies

This public hearing is not required either by Arizona Statute or the City's Charter. However, it has been the City's long standing practice to hold this additional public hearing to gain an understanding of citizen priorities prior to adopting the Tentative Budget, scheduled for Monday, May 19, which sets the City's maximum spending limit for FY 2003/04.

## **ANALYSIS & ASSESSMENT**

The Citizen Budget Review Committee, appointed by City Council on December 9, 2002, met with Financial Services staff beginning in January to gain an overall understanding of the budget process, governmental accounting and budget standards, financial policies, program budgeting, and assumptions surrounding the multi-year revenue and expenditure forecasts. Beginning in February and continuing into late April, the committee members met with City staff to review their budget development process and evaluate the proposed Operating Budget and CIP's effectiveness in meeting City Council's stated goals and priorities. The Committee provided their comments and recommendations to the City Council in a written report and discussed their findings and recommendations with the City Council during a Work Study Session on Monday, May 5.

Additionally, a budget summary was published in the Arizona Republic newspapers on Wednesday, April 30 and is available at Scottsdale's public libraries and citizen service counters throughout the City. Summary information is also available on the City's website at ([www.ScottsdaleAZ.gov/finance](http://www.ScottsdaleAZ.gov/finance)).

## **RESOURCE IMPACTS**

Adoption of this budget will allow the City of Scottsdale to continue service delivery to citizens over the upcoming fiscal year and continue working on capital improvements for the community.

The proposed budget minimizes service level impacts on citizens and businesses as a result of the economic downturn, while continuing innovation to help manage costs, striking a balance between current expectations and investing in the city's future needs and economic generators, and ensuring sound fiscal practices.

The proposed capital budget has a more realistic and precise plan to continue investment in the city's basic infrastructure and public facilities, combined with a more comprehensive analysis of their future operating costs. Improved cash management and other changes proposed in the Capital Improvement Program will ensure that the city can take advantage of favorable financing and construction markets to build key projects and phase in operating costs for new facilities at a reasonable pace.

Tentative adoption of the budget on May 19, 2003 will determine the maximum limit for expenditures in FY 2003/04. On June 2, 2003, when the final FY 2003/04 budget adoption takes place, budgeted expenditures may be reduced, but cannot be increased. The total proposed FY 2003/04 budget appropriation equals \$861.0 million and consists of the Operating Budget - \$325.6 million; Capital Improvement Plan - \$507.6 million, including \$303.8 million of carryover budget authorization from prior years for projects not yet complete; and Grants and Trust Activity - \$27.8 million. Additionally, \$34.8 million of budget authorization for use of contingencies and reserves will be included in the legal appropriation, per Arizona State Statute; however, actual authorization to expend reserves requires City Council approval via Council Action for each such occurrence.

Voter approval of the May 20 ballot measures requiring the city to form a municipal fire department will mean Council must determine an appropriate level of fire service to be provided to residents and businesses. Staff estimates one-time transition costs and additional operating costs for the 2003/04 budget year would range

from \$6.4 million to \$10.9 million. Prior to the election Council may opt to evaluate and select the level of fire service that best meets the needs of the community. Several key factors in Council's evaluation include the number of firefighters per engine, average number of hours per work week, firefighter salary levels and the possible funding of past service retirement costs. The four options presented to City Council on April 21 along with the applicable net costs over the current fire service costs are recapped in the attachment.

As part of this overall evaluation, during the May 6 public hearing, City Council may also want to begin exploring various options for funding the level of fire service selected and the one-time transition costs. Options Council may want to consider include using the city's General Fund Reserve, reducing or eliminating existing programs, raising new revenues or pursuing a combination of all three alternatives to assure adequate funding for the transition.

**OPTIONS & STAFF  
RECOMMENDATION**

This public hearing is not required either by Arizona Statute or the City's Charter. However, it has been the City's long standing practice to hold this additional public hearing to gain an understanding of citizen priorities prior to adopting the Tentative Budget, scheduled for Monday, May 19, which sets the City's maximum spending limit for FY 2003/04.

**RESPONSIBLE DEPT(S)**

Financial Services Department  
Administration Division  
Budget Division

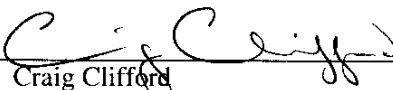
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**APPROVED BY**

  
\_\_\_\_\_  
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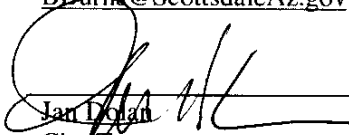
4/23/03  
\_\_\_\_\_  
Date

  
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Craig Clifford  
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4/23/03  
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Date

  
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Barbara Burns  
Assistant City Manager  
[BBurns@ScottsdaleAz.gov](mailto:BBurns@ScottsdaleAz.gov) (480) 312-2599

\_\_\_\_\_  
Date

  
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Jan Dolan  
City Treasurer  
[JDolan@ScottsdaleAz.gov](mailto:JDolan@ScottsdaleAz.gov), (480) 312-2422

\_\_\_\_\_  
Date

**ATTACHMENTS**

Municipal Fire Service Staffing and Compensations Options  
Including Net Cost Differences from Proposed 2003/04 Budget



**City Council Report**  
**May 6, 2003**  
**Solicit public testimony on the Proposed FY 2003/04**  
**Operating Budget and Capital Improvement Plan**

**ATTACHMENT**

**Municipal Fire Service Staffing and Compensations Options**  
**Including Net Cost Differences from Proposed 2003/04 Budget**

	<b>Current Rural/Metro Contract</b>	<b>Municipal Option A</b>	<b>Municipal Option B</b>	<b>Municipal Option C</b>	<b>Municipal Option D</b>
<b>Firefighters per engine</b>	3	3	4	4	4
<b>Average hours per week</b>	60 hrs.	60 hrs.	60 hrs.	60 hrs.	56 hrs.
<b>Total firefighters</b>	164.5 + Approximately 45 ambulance FTEs 209.5 FTEs Total	164.5 FTE  <b>Note 1</b>	209.5 FTE	209.5 FTE	242 FTE
<b>Salary levels</b>	Existing Rural/Metro	Comparable to existing Rural/Metro	Comparable to existing Rural/Metro	Comparable to other Valley cities	Comparable to other Valley cities

<b>One-Time Transition Costs</b>	N/A	\$6.4 Million	\$6.4 Million	\$6.4 Million	\$6.4 Million
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<b>Net Cost Difference without Past Service Retirement Costs</b>	N/A	(\$741,509)	\$2,324,646	\$3,575,522	\$4,502,187
<b>Net Cost Difference with Past Service Retirement Costs</b>	N/A	\$517,432	\$3,872,567	\$5,324,707	\$6,184,110

**Note 1:** The City does not expect that the Firefighters FTE's currently provided on the ambulances at no cost to the City to be provided by Rural Metro Corporation if the Rural Metro Fire contract is terminated.

